



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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February 7, 2014

1. Released: 2013 Revenue Thresholds for Audit Requirements
2. Deadline: Forfeiture Reporting
3. Released: Council on Local Results and Innovation Report
4. Meeting: Fire Relief Association Working Group
5. Released: TIF Newsletter
6. Avoiding Pitfalls: Pay and Benefits Documentation

1. Released: 2013 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 2013 if its annual revenue is greater than \$199,000. A city with a combined clerk/treasurer and annual revenue of \$199,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Towns - A town with a population over 2,500 and 2013 annual revenue greater than \$887,000 must have an annual audit.

Towns with Combined Clerk/Treasurers - A town with a combined clerk/treasurer must have an annual audit for 2013 if its annual revenue was greater than \$199,000. A town with a combined clerk/treasurer and annual revenue of \$199,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Special Districts - A special district must have an annual audit for 2013 if its annual revenue was greater than \$199,000. A special district with annual revenue of \$199,000 or less must have an Agreed-Upon Procedures engagement once every five years.

The Office of the State Auditor 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> .

2. Deadline: Forfeiture Reporting

February 20th is the deadline for law enforcement agencies to report final disposition of property seized subject to forfeiture for the month of January. To report final disposition of forfeitures, please go to:

<https://www.auditor.state.mn.us/safes/>.

3. Released: Council on Local Results and Innovation Report

The Council on Local Results and Innovation has released its 2014 Legislative Report. The report reviews 2013 participation by cities and counties in the Performance Measurement Program and includes legislative recommendations. To see the Report, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20100916.000>.

4. Meeting: Fire Relief Association Working Group

The 2013-2014 Volunteer Fire Relief Association Working Group has scheduled an additional meeting to discuss relief association training needs and opportunities. The Group will meet on Wednesday, February 19 at 11:00 a.m. in room 112 of the State Capitol (please note the location change). Meetings are open to the public. Working Group meeting materials are available at:

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

5. Released: TIF Newsletter

The **TIF Newsletter** has been released. The Newsletter contains information on how the Six-Year Rule affects pooling and a reminder for all consultants and non-authority employees about the status of their access to the State Auditor's Form Entry System (SAFES). To view the complete Newsletter, go to:

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

6. Avoiding Pitfalls: Pay and Benefits Documentation

Accurate documentation of employee pay and benefits is essential.

A well-written employment contract can often prevent issues from arising in employment situations. Where a written contract is not used, it is especially important for governing bodies to accurately record pay and benefit decisions in the meeting minutes. This is true both for decisions about individual employees and for decisions about employee benefits generally.

If pay and benefit decisions are not accurately documented, needless disputes may arise over pay raises, employer contributions to health insurance payments, accrual of leave time, and other payroll matters.

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