



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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

December 26, 2014

1. Released: 2014 Legal Compliance Audit Guide
2. Released: Municipal Liquor Store Report
3. Updated: Key Reporting Requirements Calendar For Relief Associations
4. Avoiding Pitfalls: Internal Control Environment

1. Released: 2014 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 2014 Legal Compliance Audit Guide is now available on the Office of the State Auditor's website in both PDF and Word formats. Important amendments made this year are described in the PDF document "2014 Legal Compliance Audit Guide – Amendments," which can be accessed from the same webpage.

To view or download the 2014 Minnesota Legal Compliance Audit Guide for Political Subdivisions, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20141224.000>.

2. Released: Municipal Liquor Store Report

The Office of the State Auditor has released the 2013 Analysis of Municipal Liquor Store Operations. The report provides comparative data on liquor operations owned and operated by Minnesota cities. To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20141222.002>.

3. Updated: Key Reporting Requirements Calendar For Relief Associations

The updated Key Reporting Requirements calendar is now available on the OSA website. The calendar lists each reporting form that volunteer fire relief associations must submit to the OSA, and reporting requirements for some other State agencies. Links to the forms and their applicable due dates are also provided.

The calendar can be found under the heading “Resources for Completing Forms” at:

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

4. Avoiding Pitfalls: Internal Control Environment

To help safeguard public assets, public entities need to develop a favorable control environment. Copies of internal control policies and procedures should be provided to all employees.

Equally important, however, is the tone set by management. To create a positive control environment, management should:

- Communicate to all employees the importance of internal controls;
- Take appropriate action against those who are not complying with approved internal control policies and procedures;
- Encourage employees to report exceptions not addressed by the policies; and
- Make employees feel comfortable when reporting potential wrongdoing or violations of policies and procedures.

For more information on internal controls, please see the Statement of Position, The Importance of Internal Controls, at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.013>.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103. Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755. Web: www.auditor.state.mn.us.