



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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December 31, 2015

1. Released: 2015 Legal Compliance Audit Guide
2. CTAS: 2016 Tax Tables Available
3. Meeting: Volunteer Fire Relief Association Working Group
4. Released: TIF Newsletter
5. Updated: Key Reporting Requirements Calendar for Relief Associations
6. Avoiding Pitfalls: Cashing Personal or Third-Party Checks

1. Released: 2015 Legal Compliance Audit Guide

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

This year, the OSA has separated the applicable legal provisions into seven separate legal compliance audit guides for ease of use. The guides are now available on the OSA website in both PDF and Word formats.

To access the 2015 Minnesota Legal Compliance Audit Guides, please go to:

<http://www.auditor.state.mn.us/default.aspx?page=20151231.007>.

2. CTAS: 2016 Tax Tables Available

The 2016 Tax Tables for the Small City and Town Accounting System (CTAS) are now available. Separate versions of the tables have been posted for use in CTAS Version 8 and Version 7.

To view and download the tax tables, click on the following link and you will find the tables under the “CTAS Documents” heading on the OSA website:

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

3. Meeting: Volunteer Fire Relief Association Working Group

The final meeting of the 2015-2016 Volunteer Fire Relief Association Working Group has been scheduled for Wednesday, January 27 from 11:00 a.m. to 1:00 p.m. at our 525 Park Street office in Saint Paul. Meetings are open to the public. Working Group materials are available on the OSA website at:

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

4. Released: TIF Newsletter

The November-December **TIF Newsletter** has been released. The Newsletter contains information on the upcoming expiration of consultants’ access to SAFES and how consultants can be recertified. The Newsletter also provides information on completing the Decertified TIF District Form.

The complete Newsletter can be found at:

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

5. 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>.

6. Avoiding Pitfalls: Cashing Personal or Third-Party Checks

Some government entities cash personal or third-party checks from employees or the public. We recommend that government entities prohibit this practice. Government entities should not function as banks for their employees or for third parties. Cashing personal or third-party checks increases the entity’s risk of losses due to insufficient funds.

In addition, it increases an entity's exposure to fraud. All funds collected by the entity should be deposited exactly as collected. The composition of the funds to be deposited, in terms of the amount of cash and checks, should reflect the actual receipts.

Reviewing the deposit's composition is one way to prevent and detect thefts involving "lapping" -- an employee taking cash before it is deposited and replacing it with a check that should be in a different deposit. Allowing an employee to cash a personal or third-party check with funds that should be deposited defeats that safeguard.

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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.