



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: TIF Enforcement Deduction Report

The deadline for counties to report the deduction for TIF enforcement made for the period from May 1, 2015 to April 30, 2016 is Friday, June 3. The reporting form can be accessed at:

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

2. Pension: Training Videos

The OSA has posted new online training videos to assist volunteer fire relief associations in completing the Financial and Investment Reporting Entry (FIRE) and Schedule (SC) forms. The videos can be viewed at the following links:

- The FIRE Form: General Information
<http://www.auditor.state.mn.us/default.aspx?page=20160526.000>.
- The FIRE Form: Completing the Plan Information Tab
<http://www.auditor.state.mn.us/default.aspx?page=20160526.001>.
- The FIRE Form: Completing the Investment and Mutual Funds Tabs
<http://www.auditor.state.mn.us/default.aspx?page=20160526.002>.
- The SC Form: Completing the Active Tab
<http://www.auditor.state.mn.us/default.aspx?page=20160526.003>.
- The SC Form: Completing the Deferred and Installments Tabs

3. Reminder: Relief Association Reporting Forms

The 2015 reporting-year forms for volunteer fire relief associations with assets and liabilities less than \$500,000 were due to the Office of the State Auditor by April 30. Notices of overdue reports were sent by e-mail to relief association trustees and municipal officials this week listing forms that have yet to be received. Your assistance is requested in expediting submission of the overdue reports as late reporting forms may result in a delay in receipt of fire state aid.

Reporting forms for relief associations with assets or liabilities of at least \$500,000 are due by June 30. Relief associations with the June 30 reporting deadline are required to submit audited financial statements in addition to the reporting forms. After a relief association has exceeded the \$500,000 statutory threshold, it must maintain the audit requirement and June 30 reporting deadline even if the association's assets and liabilities subsequently drop below the threshold.

4. Avoiding Pitfalls: Documentation of Accounting Policies and Procedures

All local units of government should document their accounting policies and procedures. This documentation is traditionally maintained in a written policy statement or manual which spells out the accounting policies and procedures that make up the entity's internal control system. The detail and complexity of the documentation will depend on the size of the entity.

The documentation should:

- Describe the procedures as they are intended to be performed;
- Indicate which employees are to perform which procedures;
- Explain the design and purpose of control-related procedures to increase employee understanding and support for controls; and
- Be reviewed and updated periodically.

The written accounting policies and procedures will:

- Enhance employees' understanding of their role and function in the internal control system;
- Establish responsibilities;
- Provide guidance for employees;
- Improve efficiency and consistency of transaction processing;
- Improve compliance with established policies;
- Help prevent deterioration of key elements in the entity's internal control system;
- Maintain consistency in procedures from year to year and during employee transitions; and
- Help decrease circumvention of the entity's policies.

The written documentation of accounting policies and procedures should be prepared by appropriate levels of management. It should be approved by the entity's governing body to emphasize its importance and authority.

To be effective, the written documentation should be shared with all employees. Entities may want to ask employees to sign a form acknowledging receipt of the policy or manual and to agree to adhere to the policies contained in the policy or manual.

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