



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*

April 13, 2018

1. Released: Large Public Pension Plan Investment Report
  2. Released: City Summary Budget Report
  3. Avoiding Pitfalls: Segregation of Duties – Part I
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### **1. Released: Large Public Pension Plan Investment Report**

The State Auditor released the Large Public Pension Plan Investment Report for the year ended December 31, 2016. The report contains in-depth analysis of rate of return, asset allocation, and benchmark comparison information for Minnesota's local public pension plans with a total market value of at least \$25 million and for the State Board of Investment.

To view the complete Report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20180411.000>.

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### **2. Released: City Summary Budget Report**

The OSA has released the City Summary Budget Report. The report includes 2018 budget data together with 2017 revised budget data.

Budgets are simply plans for the coming year. The 2018 budgets were adopted by city councils in November and December of 2017. The 2017 budgets were adopted by city councils in November and December of 2016.

To view the complete Report, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20170411.001>.

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### **3. Avoiding Pitfalls: Segregation of Duties – Part I**

When employee responsibilities are arranged so that the work of one employee is checked by another, it is called “segregation of duties.”

Ideally, no single official or employee should be able to:

1. Authorize a transaction;
2. Record the transaction in the entity’s books; and
3. Obtain custody of the item resulting from the transaction.

Examples of incompatible duties that should be performed by separate individuals include:

- Receipting collections, posting collections to registers, and making bank deposits; or
- Signing checks and reconciling the bank accounts.

To put it another way, a person should not be in a position to commit an irregularity and cover it up.

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