



**State Auditor  
Rebecca Otto**

## **OFFICE OF THE STATE AUDITOR**

# ***E-Update***

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

**November 30, 2018**

1. Released: Revised County Audit Guide
2. Update: Volunteer Fire Relief Association Working Group
3. Available: Agreed-Upon Procedures Guide and Report for Relief Associations
4. Released: Pension Newsletter & TIF Newsletter
5. Avoiding Pitfalls: Ticket Sales

---

### **1. Released: Revised County Audit Guide**

The Office of the State Auditor has revised the Audit Guide for Financial and Compliance Audits of Minnesota Counties. The revised Guide provides assistance to county officials in selecting an auditor and also offers guidance to certified public accounting firms on the requirements for conducting an audit of a Minnesota county. The guide is available on the OSA website at:

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

---

### **2. Update: Volunteer Fire Relief Association Working Group**

The Volunteer Fire Relief Association Working Group met on November 29. Working Group members discussed whether firefighters who resume active service after being paid a service pension should have a lower vesting requirement for their resumption period of service, and also discussed changing the current 20-year full-vesting requirement for defined-benefit plan members. The Working Group will revisit both topics at its next meeting and review optional language for statutory changes. The Working Group also reviewed the various statutory definitions of “volunteer firefighter” and discussed whether the different definitions are appropriate.

The next meeting of the Working Group will be held on Thursday, December 6 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. Agendas and materials are available on the OSA website at:

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

## **2. Available: Agreed-Upon Procedures Guide and Report for Relief Associations**

The 2018 Agreed-Upon Procedures Guide and Sample Independent Accountant's Report are available on the OSA website in both MS Word and PDF versions, at:

<http://www.auditor.state.mn.us/default.aspx?page=20151209.000>.

The guide and report are to be used by certified public accountants who are performing an attestation of a volunteer fire relief association for the 2018 calendar year. A relief association with assets and liabilities of less than \$500,000, and that has not exceeded this threshold in a prior year, is required to have its annual financial reporting form attested to by a certified public accountant in accordance with agreed-upon procedures prescribed by the Office of the State Auditor (OSA).

In addition, the OSA has received requests for a sample client representation letter. We are working to create a sample and will provide notice in a future Update when the sample letter is available.

---

## **3. Released: Pension Newsletter & TIF Newsletter**

The November **Pension Newsletter** has been released. The Newsletter provides information about supplemental benefit reimbursements and a link to the online form used to request reimbursement of supplemental benefits paid. Information on compliance issues that have arisen related to hardship distributions paid by relief associations to members with a financial need is also included.

The complete Newsletter can be accessed at:

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

### **TIF Newsletter**

The November **TIF Newsletter** has been released. The Newsletter contains information on the need for regular review of TIF obligations and requirements for decertification. To view the complete Newsletter, go to:

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

---

## **4. Avoiding Pitfalls: Ticket Sales**

When cash is involved, public entities need to take extra precautions to prevent fraud. One situation where cash is prevalent is when tickets are sold, for example, at a school event or for a public swimming pool. Ticket sales present an opportunity for "skimming," the taking of cash before it is recorded on the entity's books.

Using pre-numbered tickets is one method to guard against skimming. When the sale of tickets is reported, the person responsible for the ticket sales should turn in the corresponding amount of cash and the correct number of unsold tickets, and obtain a receipt for what they've turned in.

To properly document ticket sales, entities should develop a form that records the starting and ending numbers on the tickets sold at an event and the total amount of money collected. The number of tickets sold multiplied by the ticket price should equal the amount of money collected.

The form that records this information should be signed by the ticket seller(s) and maintained by the entity as supporting documentation. Someone other than the ticket seller(s) should confirm that the number on the first ticket used for the next event begins where the numbers on the tickets for the prior event ended. Following these precautions can reduce an entity's risk of an employee skimming from ticket sales.

-----  
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](http://www.auditor.state.mn.us).