1. Message from Auditor Blaha

Even as we navigate all the challenges we face today, we need to remember our focus on protecting our local governments from fraud. I want to call special attention to our Avoiding Pitfalls this week (#4 in this E-Update): **Use of Credit Cards (Including P-Cards)**. We have found that issues surrounding this topic are far too common in Minnesota. The reality is that problems in this area put you at risk for fraud. If your processes are not tight when it comes to your policies surrounding credit cards and p-cards, you are opening yourself up to greater risk. Again, more information may be found below.

Remember also that our office remains a resource. Please continue to check out our COVID-19 Updates page (https://www.auditor.state.mn.us/default.aspx?page=covid19updates) and contact our staff as questions and concerns arise: https://www.auditor.state.mn.us/default.aspx?page=contact.

Stay safe and take care.

2. Available: Relief Association Investment Performance Tools

The Office of the State Auditor (OSA) provides two educational tools to help relief association trustees compare investment performance. One tool, an “Investment Report Card,” is sent by email to each relief association after our review of the relief association’s financial and investment reporting forms is complete. The report card provides one-year and multi-year rates of return calculated for the relief association, as well as a custom benchmark rate of return. The custom benchmark rate of return can be used to measure the relief association’s actual investment performance against market returns.

Another tool is the annual “Financial and Investment Report of Volunteer Fire Relief Associations” that is published annually by the OSA. The report includes one-year and multi-year rates of return, calculated custom benchmarks, asset allocations, and market values for each relief association in Minnesota. The report is available on the OSA website at: https://www.auditor.state.mn.us/list.aspx?type=rpt&div=pen
3. TIF: Reporting "Non-TIF" Bonds

As TIF authorities work on completing TIF Annual Reporting Forms, form preparers should take note to understand how the reporting of "non-TIF bonds" differs from reporting TIF bonds. To learn more, please visit:

https://www.auditor.state.mn.us/default.aspx?page=RptNonTIFBond

4. Avoiding Pitfalls: Use of Credit Cards (Including P-Cards)

Cities, towns, and school districts have the authority to use credit cards (which include "p-cards") to purchase otherwise authorized goods and services. However, the use of credit cards can open up local units of government to numerous financial risks, including the loss of public funds. In an effort to minimize these risks, Minnesota law requires the implementation of a number of internal controls. We urge the adoption of a comprehensive credit card policy that implements statutory requirements, as well as good management practices. Some best practices include regular reconciliations by a supervisor of a user's card activity, as well as periodic audits of the same.

This Avoiding Pitfall is available on our website at:
https://www.auditor.state.mn.us/default.aspx?page=20090724.083

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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