



OFFICE OF THE STATE AUDITOR

E-Update

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**State Auditor
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1. Released: New and Revised Statements of Position
2. Pension: Schedule Form Revisions
3. Avoiding Pitfalls: Need For Cross-Training

1. Released: New and Revised Statements of Position

TIF Bond Financing of Project Costs

The new Statement of Position, TIF Bond Financing of Project Costs, has been released. The Statement describes the types of bonds available to finance TIF Project costs. The full Statement can be viewed at:

<http://www.auditor.state.mn.us/default.aspx?page=20120807.002>.

Contract Change-Orders and Contractor's Bonds

The Statement of Position entitled Contract Change-Orders and Contractor's Bonds has been revised to update the amount above which contractor's bonds must be obtained. To view the complete Statement, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.007>.

2. Pension: Schedule Form Revisions

Lump-sum relief associations were required to complete the 2012 Schedule Form during July of this year and to certify the Form to the affiliated municipality or independent nonprofit firefighting corporation by August 1. Relief association trustees have inquired whether revisions can be made to the Form later this year to take into consideration investment gains or other revenue increases that occur after August 1.

Projected amounts on the Form are frozen as of the date of certification. Once certified, the Form cannot be revised to update revenue or expenditure amounts that deviated from the

originally-certified projected amounts. Minnesota law does not authorize any process by which a relief association may modify its Schedule Form to change projection amounts once the actual year-end amounts are known. Deviations between forecasted and actual revenues and expenditures will be reflected on the 2013 Schedule Form that will be completed next year.

Additional information about the Schedule Form is provided in the July 2012 Pension Division Newsletter, which can be viewed at:

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

3. Avoiding Pitfalls: Need For Cross-Training

In small public entities, sometimes only one person is primarily responsible for handling financial matters. This concentration of duties in one person is not desirable from an accounting point of view. One measure to help counter this weakness involves training a second person in the specific duties related to the entity's finances.

Cross-training has numerous benefits. It allows a second person to perform the duties when the employee primarily responsible is unavailable. Having someone else perform the job duties also provides a method of detecting errors and/or irregularities created by the person primarily responsible for those duties. Finally, cross-training provides continuity during periods of employee transitions. Cross-training offers advantages from both an accounting and a management point of view.

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