

An auditor's top four pieces of advice for newly elected officials

Turnover in local government in recent years is certainly on the rise. In the 2022 Michigan Public Policy Survey, jurisdictions across the state reported difficulty in retaining talent and recruiting qualified workers. This matches what we have seen in the townships that we audit. Knowing this trend will likely continue, we thought it would be helpful to share a few things we have noticed to make the transition from outgoing to incoming officials smoother from a financial and processes standpoint.

Establish a relationship with your attorney and auditor

Legal advice does not come cheaply, however, investing a small dollar amount early on by consulting with an attorney can save significant sums of money should a lawsuit ever arise. Township boards should budget additional dollars toward legal and professional expenses when planning a major project. Your township auditor can also be a great resource to ask questions related to fund accounting and maintaining the general ledger. We especially find ourselves fielding questions relating to payroll (retirement plans, health benefits, cell phone and mileage reimbursement, etc.). The township's auditor can also give insight into how certain processes are carried out in order to maintain segregation of duties and support ongoing fraud risk assessments.

Transition period between new and outgoing officials

Sometimes, the previous township official can be the best resource for helping new officials get acclimated in their new position. We see a significantly smoother transition when the previous official is willing to be involved in the training process and be available as a resource during stressful events, such as elections, audit or tax collections. In the event the prior township official is unavailable or unwilling to be a resource, don't be afraid to ask if any neighboring townships have staff members which could contribute to your situation in a helpful way. We occasionally point incoming clerks to the county clerk for guidance on issues such as elections. Likewise, the county treasurer can be a good resource to field questions relating to property tax collections.

Professional training

MTA offers an extensive collection of resources for training, both in-person workshops and conferences as well as online options. MTA is hosting *New Officials Training* around the state in December and January to help newly elected township leaders start their new term of office on the right foot and with the right information. We encourage

townships to budget money for education and training as we feel this can vastly improve the overall processes and efficiency of the township. We also highly recommend township officials attend training seminars and workshops for the accounting software that the township uses. For example, BS&A Software offers training webinars covering topics such as fund accounting, bank account reconciliation, budgeting, and much more. They also offer one-on-one customer support if having a specific issue. Other software providers likely offer similar support.

Streamlining and improving processes

One element we have found in successful transitions of elected officials and staff is the new team members taking ownership of their roles by streamlining or improving upon existing processes. While we don't want to see a township's playbook unnecessarily turned upside down, it can be healthy to evaluate the "why" and "how" of various processes from time to time. One effective way to do this is through establishing policies and contracts. Oftentimes during the audit process, we find contracts that are outdated, unsigned or nonexistent. By reviewing contracts, new township officials can familiarize themselves with regular vendors and help budget for costs. Likewise, implementing new policies or updating existing ones can mark clear boundaries for roles and responsibilities, while at the same time improving the efficiency of the township's processes.

While we have not exhausted this list, we hope these pieces of advice will be beneficial and encourage newly elected officials to thrive in their positions to better serve their communities.

Information provided in *Financial Forum* should not be considered legal advice, and readers are encouraged to contact their township auditor and/or attorney for advice specific to their situation.

