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GFOA Executive Board Approves Four Best Practices.

The GFOA's Executive Board approved three new best practices and one revised best practice on September 22, 2014. These documents provide recommendations to government finance officers in the areas of accounting, retirement benefits administration, and debt issuance.

Coordinating the Work of Multiple Auditors. This new best practice provides recommendations to facilitate the effective, efficient, and timely performance of group audits – when a portion of a government's financial report is audited by other auditors. Appropriately coordinating auditing functions ensures that there won't be delays in the delivery of financial statements, which is important because delays could result in additional costs or modified opinions.

Enhancing Reliability of Actuarial Valuations for Pension Plans. Actuarial information directly affects the funded level and sustainability of pension plans, and this new best practice urges pension plan fiduciaries to ensure that all the information provided to the actuary is accurate and up to date. The document also provides guidance on engaging actuaries and information about additional services that finance officers should consider having the actuary perform.

Investment Fee Policies for Retirement Systems. The GFOA developed this best practice to help pension funds minimize the impact of investment management fees on portfolio returns. It recommends that retirement systems, especially those that use alternative investment strategies, adopt an investment management fee policy that will provide for negotiating the lowest competitive fee possible while looking out for the system's long-term earning potential. The best practice also recommends strategies for reducing investment fees.

Investment of Bond Proceeds. The GFOA updated this best practice to alert governments to the Security and Exchange Commission's classification of brokers as Municipal Advisors under the SEC Municipal Advisor Rule (MA Rule), in certain instances. The MA Rule, which went into effect in July 2014, permits brokers to provide general information without being considered MAs; however, broker-dealers will be deemed to have provided "advice" when they recommend that their government clients buy a particular security. The updated best practice provides recommendations on how to engage brokers for investing bond proceeds, in light of the new rule.

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