

Note: Minutes are considered draft until approved or amended at the next meeting.

MINUTES	Thursday, April 4, 2013	
Audit Committee Meeting	4:00 PM	
Sioux Falls City Council	Carnegie Town Hall	
	235 West 10th Street	

Members Present: Council Member Sue Aguilar, Council Member Greg Jamison, Council Member Rex Roling, and Committee Member Jason Forbes  
Members Absent: Council Member James Entenman and Committee Member Anne Oppegard  
Staff Present: Tamara Jorgensen, CMC, Assistant City Clerk; Rich Oksol, Internal Audit Manager; Danette Schumacher, Internal Auditor; Kim Schroeder, Internal Auditor; Jim David, Legislative/Operations Manager; and David Bixler, Budget Analyst

### 1. Call To Order

Committee Chair Greg Jamison called the meeting to order at 4:00 p.m.

### 2. Review and approve minutes from meeting held on Thursday, February 7, 2013

A motion was made by Council Member Sue Aguilar and seconded by Council Member Rex Roling to approve the minutes dated February 7, 2013.  
Jamison called for a voice vote on that motion and all members voted yes.  
Motion Passed.

### 3. Reports and Updates

#### A. External Audit Results of the City's Financial Statements by Dean Buckneberg and Brian Stavanger, Partners at Eide Bailly, LLC.

The following reports were distributed at the meeting and reviewed by Brian Stavanger: Independent Auditor's Report and Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Discussion followed.

Dean Buckneberg stated that audit results like this are rare and complimented the Finance Staff on their outstanding results.

#### B. Review Audit Report: 13-01 Follow-Up on Status of Audit Recommendations

Rich Oksol, Internal Audit Manager, reviewed the report, detailed responses, recommendations and management responses. Discussion followed.

A motion was made by Council Member Rex Roling and seconded by Council Member Sue Aguilar to accept this audit report.

Jamison called for a voice vote on that motion and all members voted yes.  
Motion Passed.

#### C. Review Audit Report: 13-03 Street Division-Purchasing

Danette Schumacher, Internal Auditor, reviewed the report, detailed responses, recommendations and management responses. Discussion followed.

A motion was made by Council Member Rex Rolwing and seconded by Committee Member Jason Forbes to accept this audit report.

Jamison called for a voice vote on that motion and all members voted yes. Motion Passed.

#### D. Review Audit Report: 13-02 Veolia ES Technical Solutions Contract

Kim Schroeder, Internal Auditor, reviewed the report, detailed responses, recommendations and management responses. Discussion followed.

A motion was made by Council Member Sue Aguilar and seconded by Committee Member Jason Forbes to accept this audit report.

Jamison called for a voice vote on that motion and all members voted yes. Motion Passed.

#### E. Contract Monitoring by Internal Audit and Council Staff

Oksol stated that one part of the annual audit plan is to review financial reports from city facilities that are managed by outside companies or non-profit organizations in city-owned buildings. He cited examples such as the Great Plains Zoo and Delbridge Museum, the Washington Pavilion, and the Events Center. The review responsibilities include verifying insurance certificates, analyzing monthly reports and reviewing agreements.

Oksol stated that he and David Bixler, Budget Analyst, believe that administrative procedures have been enhanced where it may not be necessary for Internal Audit to continue to review this information on an annual basis.

Oksol stated that a City Director is assigned to their respective area s agreement and there are checklists set up to review the receipt and verification of insurance and other forms.

Oksol recommends that he and Bixler be added to distribution listings for annual reports. Oksol would review the external audit reports and follow up with any audit issues raised to determine resolution. Bixler would review financial information to determine trends and also to prepare for anticipated questions from the City Council. Oksol recommends that the City Council receive a yearly presentation from the management company in charge of the information.

Oksol stressed that it is not the intent to remove the agreements from the audit review. He stated that larger agreements would still be reviewed by Internal Audit every three years and smaller agreements would be reviewed every five years. Discussion followed.

#### 4. Open Discussion

Oksol stated that he and the Internal Audit staff will be attending a seminar on April 22 and 23, 2013 at the Institute of Internal Auditors. This seminar is part of their continuing education series.

Oksol stated he will be attending a Peer Review Training in Nashville on May 5, 2013. Schumacher will also be attending this training and staying for the Annual Conference of Local Government Auditors.

Oksol reminded the Committee that the next Audit Committee Meeting is Thursday, June 6, 2013, at 4:00 p.m.

In response to a request from the February 7, 2013, Audit Committee Meeting, Jamison updated the Committee on the intent of the Audit Charter. The input received was from a former City Council Member who was instrumental in developing the Charter. Jamison stated that the intent in approving changes to the Charter was always meant to get back to the City Council for final approval; to allow the City Council to serve as the final approval for changes to the Charter. It was always meant to be the Council's Committee and for their oversight. Discussion followed.

Rolfing stated he may know someone that is interested in joining the Audit Committee. Jamison requested that Oksol meet with the prospective candidate and provide him with information regarding the Committee.

Schumacher stated that Oksol will have his 30th anniversary as a City employee at the end of this month.

#### 5. Adjournment

A motion was made by Council Member Rex Rolfing and seconded by Committee Member Jason Forbes to adjourn the meeting at 4:45 p.m. Jamison called for a voice vote and all members present voted yes. Motion Passed.

Tamara Jorgensen, CMC

Assistant City Clerk