

MINUTES

Wednesday, December 11, 2013

4:00 PM

Audit Committee Meeting

Carnegie Town Hall

Sioux Falls City Council

235 West 10th Street

Members Present: Council Member Sue Aguilar, Council Member James Entenman, Council Member Rex Roling, Audit Committee Member Anne Oppegard, and Audit Committee Member Arnold Martens

Members Absent: Council Member Greg Jamison and Audit Committee Member Jason Forbes

Staff Present: Tamara Jorgensen, CMC, Assistant City Clerk; Rich Oksol, Internal Audit Manager; Kim Schroeder, Internal Auditor; David Bixler, Budget Analyst; and Jim David, Legislative/Operations Manager

1. Call To Order

Council Member Sue Aguilar called the meeting to order at 4:00 p.m.

2. Approval of Minutes

A. Meeting Held On Thursday, August 1, 2013

A motion was made by Council Member Rex Roling and seconded by Council Member James Entenman to approve the minutes.

Aguilar called for a voice vote and all members voted yes. Motion Passed.

3. Reports and Updates

A. Update On External Audit of the City's 2013 Financial Statements

Miranda Gallagher, Financial Statement In-Charge Auditor for Eide Bailly L.L.P., provided an update on the Proposed Audit Approach from 2013. Discussion followed.

B. Review Audit Report: 13-08 Overtime

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

A motion was made by Committee Member Anne Oppegard and seconded by Council Member Rex Roling to accept this audit report.

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

C. Review Audit Report: 13-09 Investment Policy

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

A motion was made by Council Member James Entenman and seconded by Committee Member Anne Oppegard to accept this report.

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

#### D. Review 2014 Annual Audit Plan

A motion was made by Council Member Rex Rolwing and seconded by Committee Member Arnold Martens to approve this plan.

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

#### E. Update: Peer Review of Internal Audit Office

Oksol provided an update on the Internal Audit Office Peer Review. He had received a request to participate in a Peer Review for Colorado Springs but was unable to attend. Oksol explained the Peer Review process. In January, he will be contacting the Peer Review Coordinator to request a Peer Review Audit for Sioux Falls in August, 2014.

#### F. Update: Vacant Internal Auditor Position

Oksol provided an update on the Internal Audit position vacancy. He stated there were 42 applications received by Human Resources; 26 were screened for this position with 16 meeting the minimum qualification standards. Six interviews will be conducted on Monday, December 16, 2013 by Oksol, Jane Hannestad from Human Resources, and Anne Oppegard, Audit Committee Member. Oksol is hoping the new hire can start in January, 2014.

#### G. Update: Internal Audit Monitoring of Event Center Expenses

Schroeder provided an update on the monitoring of the Event Center expenses. She distributed a flow chart illustrating the individuals responsible for Invoice Sign-off and Contract Approvals. Discussion followed.

#### H. Update: Consultant's Audit of the City's Health Insurance Program

Oksol provided an update on the City's Health Insurance Program. He has talked with Human Resources about hiring an outside consultant to review this program. Oksol explained the self-funded program. Oksol stated that he had a copy of the results of this audit conducted by BMI Audit Services from South Bend, Indiana. He said he would get a copy to the committee if they wanted one. Oksol stated the focus of the audit was on dependent eligibility. Discussion followed.

#### I. Update: Internal Audit Manager's Mid-America Intergovernmental Audit Forum trip

Oksol provided an update on the trip he took last week for the Mid-America Intergovernmental Audit Forum held in Overland Park, Kansas. Oksol shared information regarding fraud in other cities.

#### 4. Open Discussion

There was none.

#### 5. Adjournment

A motion was made by Council Member Rex Roling and seconded by Council Member Jim Entenman to adjourn the meeting at 4:44 p.m.

Aguilar called for a voice vote and all members voted yes. Motion Passed.

Tamara Jorgensen, CMC

Assistant City  
Clerk