

4:00 PM

Audit Committee Meeting

Carnegie Town Hall

Sioux Falls City Council

235 West 10th Street

Members Present: Audit Committee Members: Jason Forbes, Arnold Martens and Seth Peterson. City Council Members: Christine M. Erickson, Dean Karsky, Rick Kiley and Rex Roling

Staff Present: Internal Audit Manager Rich Oksol; Internal Auditor Kim Schroeder; Internal Auditor Jess Bickett; Denise D. Tucker, CMC, Assistant City Clerk; Jim David, Legislative/Operations Manager; and David Bixler, Budget Analyst

1. Call To Order

Committee Chair Rex Roling called the meeting to order at 4:00 p.m.

2. Approval of Minutes

A. Meeting held on Thursday, February 19, 2015

A motion was made by Council Member Christine M. Erickson and seconded by Council Member Seth Peterson to approve the minutes. Roling called for a voice vote, all members present voted yes. Motion Carried.

3. Reports and Updates

A. Results of External Audit of the City of Sioux Falls 2014 Financial Statements

The following individuals from Eide Bailly LLP reviewed the Financial Statement Audit and then separately reviewed the Federal Expenditures Audit. These reports are for the year ending December 31, 2014. Presented by Brian Stavenger, Partner; and Dean Buckneberg, Partner. Miranda Gallagher, Senior Audit Associate, was also in attendance. Stavenger joined the meeting via teleconference.

B. Review Audit Report: 15-01 Public Facility Ticket Fee

Internal Auditors Jess Bickett and Kim Schroeder, reviewed the report, detailed responses, recommendations and management responses. Discussion followed.

This item will be moved to the Fiscal Committee for further review and discussion.

A motion was made by Council Member Christine M. Erickson and seconded by Council Member Rick Kiley to accept this report and recommend it for presentation to the City Council. Roling called for a voice vote and all members present voted yes. Motion Passed.

C. Review Report Follow-Up on Status of Audit Recommendations

Rich Oksol, Internal Audit Manager, provided an update on 2012 and 2013 Audit recommendations. Oksol mentioned we are overdue for a city wide Ethics Training. He said he will continue to follow up with the City Attorney's Office about a future training schedule. Discussion followed.

A motion was made by Council Member Rick Kiley and seconded by Committee Member Jason Forbes to accept this report and recommend it for presentation to the City Council. Roling called for a voice vote and all members present voted yes. Motion Passed.

#### 4. Special Audit Request: Accounts Receivable/Cash Handling

Oksol spoke about the following Audit Request: Conducting another Cash Handling Audit at the Sanitary Landfill.

Oksol spoke about city management increasingly handling larger accounts receivable amounts for commercial waste haulers at the Sanitary Landfill. The Finance Department, along with others, would like a review of the current software being used (there are several) to determine if additional oversights can be added to monitor payments and receivables. Discussion followed.

A motion was made by Council Member Christine M. Erickson and seconded by Council Member Rick Kiley to accept this report and recommend it for presentation to the City Council. Roling called for a voice vote and all members present voted yes. Motion Passed.

#### 5. Open Discussion

Oksol stated that he and his staff would be attending a seminar in Sioux Falls during the last week of April, 2015. The Local Institute of Internal Auditors, Sioux Falls Chapter, is hosting a spring seminar this year with a very good consultant/speaker attending.

An update on the schedule for the next Audit Committee Meeting will be released as soon as the schedules are coordinated.

Oksol stated that Kim Schroeder, Internal Auditor, has earned the 2014 William S. Smith CIA - Certificate of Honors Award for her outstanding performance on the Certified Internal Auditor (CIA) examination. This means that in addition to successfully completing the CIA exam on the first attempt for each part, Kim also submitted one of the best exam papers following that of the Gold, Silver and Bronze Medalists. Congratulations to Kim Schroeder on her impressive achievement!

#### 6. Adjournment

A motion was made by Committee Member Arnold Martens and seconded by Council Member Rick Kiley to adjourn the meeting at 4:55 p.m. Roling asked for a voice vote, all members voted yes. Motion Passed.

Tamara Jorgensen, MMC

Assistant City  
Clerk