

MINUTES

Thursday, January 5, 2017

Audit Committee Meeting 4 PM

Carnegie Town Hall

Sioux Falls City Council 235 West 10th Street

Members Present: Rex Roling, Member Jason Forbes, Arnold Martens, Committee Member Rick Kiley, Seth Peterson, Greg Neitzert

Members Absent: Michelle Erpenbach

1. Call To Order

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

2. Approval of Minutes

A. Meeting of Thursday, December 29, 2016

A motion was made by Committee Member Arnold Martens and seconded by Committee Member Rick Kiley to approve the minutes of the meeting of Thursday, December 29, 2016.

Committee Chair Roling called for a voice vote and all members present voted yes.

Motion Passed.

3. Audit Reports and Updates

A. Update on External Audit of City's 2016 Financial Statements by Keith Severson, Partner, Eide Bailly LLP

The report includes identification of the service team, objectives of the audit, the audit approach, recent professional standards changes, and an assessment of risk. The committee expressed its desire to have any issues or problems associated with meeting stated audit timelines raised to the committee as needed.

Committee Member Greg Neitzert arrived at 4:08 p.m.

B. Affordable Housing Internal Controls Audit Report 16-06 by Kim Schroeder, Internal Auditor

The presentation included audit background, objectives, results, and recommendations. There was discussion about the second signatory on manual checks.

A motion was made by Committee Member Seth Peterson and seconded by Committee Member Jason Forbes to accept the Affordable Housing Internal Controls Audit Report 16-06 and submit it to the City Council.

Committee Chair Roling called for a voice vote and all members present voted yes.

Motion Passed.

C. Adaptive Signal Control Technology Analysis Report by Rich Oksol, Internal Audit Manager

The analysis includes background about Adaptive Signal Control Technology as well as objectives and results of the analysis. Discussion addressed control of the system, reasons for decreases in accidents, method of installation, and system testing.

D. Citywide Cash Audit Report 16-01 by Rich Oksol, Internal Audit Manager

The audit includes background, objectives, results, and recommendations. Discussion focused on cash-handling training, independent vendor verification, check handling procedures, consolidation of vendors for credit card or electronic payment processing, and third-party vendor compliance.

A motion was made by Committee Member Arnold Martens and seconded by Committee Member Greg Neitzert to accept the Citywide Cash Audit Report 16-01 and submit it to the City Council.

Committee Chair Rolwing called for a voice vote and all members present voted yes.

Motion Passed.

E. 2016 Internal Audit Annual Report by Rick Oksol, Internal Audit Manager

The report reviews the composition and qualifications of the committee as well as work accomplished and ongoing activities.

F. Status of Audit Recommendations Report by Rich Oksol, Internal Audit Manager

This report concentrates primarily on 2015 Audit Reports with review of some pre-2015 reports. An update on the status of past audit recommendations was provided. Discussion clarifying public facility ticket fees followed.

4. Open Discussion

There was none.

5. New Business

A Motion to Appoint Kimberly Schroeder as the Internal Audit Manager,

A. Pursuant to Section 32.022 of the Sioux Falls Code of Ordinances, Effective January 16, 2017

A motion was made by Committee Member Jason Forbes and seconded by Committee Member Rick Kiley to defer the appointment until the next meeting.

Committee Chair Rolwing called for a voice vote and all members present voted yes.

Motion Passed.

Committee Chair Rolwing noted Rich Oksol's retirement on January 20, 2017, and thanked him for his service to the City.

6. Adjournment

Committee Chair Rex Rolwing adjourned the meeting at 5:15 p.m.

Thomas M. Greco

City Clerk