

Notice to the Public: These are DRAFT meeting minutes only.

Final meeting minutes will be posted after approval at the next Audit Committee Meeting.

MINUTES Tuesday, March 22, 2011

4:00 PM

Audit Committee Meeting

Carnegie Town Hall

Sioux Falls City Council

235 West 10th Street

Members Present: Brad Whitsell, Anne Oppegard, Joe Marsh, Council Member Greg Jamison, Council Member Jim Entenman, Council Member Sue Aguilar, and Council Member Rex Rolwing.

Members Absent: None.

Staff Present: Debra A. Owen, City Clerk/Chief of Council Operations, Tamara Jorgensen, CMC, Assistant City Clerk, Rich Oksol, Lead Internal Auditor, Tim Buseman, Internal Auditor.

Guests: Cheryl Rath, Mark Cotter, Dean Buckneberg, Joshua Peterson, Elizabeth Whealy, Dan Simon, Don Kearney, Karen Leonard, Tracy Turbak, Beth Wischmeyer, Dean Karsky and Dave Stene (via telephone).

1. Call To Order

Chairman Whitsell called the meeting to order at 4:00 p.m.

2. Review and approve minutes from the committee meeting dated January 25, 2011

Aguilar made a motion to amend the minutes by changing the following on page 2, 3rd paragraph, in the second sentence: "...how the meeting... tohow the city....".

A motion was made by Council Member Greg Jamison and seconded by Council Member Rex Rolwing to approve the minutes with the amendment made by Aguilar.

Vote to approve: Roll Call: Yeses, Sue Aguilar, James Entenman, Greg Jamison, Rex Rolwing, Brad Whitsell, Anne Oppegard, Joseph Marsh, 7. Noes, 0.

Motion Passed.

3. Results of external audit of City financial statements; discussion with Dean Buckneberg, partner, Eide Bailly

Dean Buckneberg from Eide Bailly gave a preliminary update on the results of external audit of the City's financial statements. Dave Stene joined the meeting via telephone conference from Minneapolis and provided additional information.

4. Review Report: 11-01 Follow Up on Status of Audit Recommendations

Oksol reviewed this report stating these were follow up's from 2009 reports. Code enforcement procedures were given additional review and recommendations.

A motion was made by Jamison and seconded by Oppeward to accept this audit report and recommend it for presentation to the City Council. Whitsell called for a voice vote and all members present voted yes. Motion Passed.

5. Review Report: 11-02 Railroad Relocation Fund

Oksol reviewed the Railroad Relocation Fund reports and recommendations. Oksol stated he had sent the report to Mark Cotter, Director of Public Works, for review of financial accuracy and Cotter stated the report was accurate.

Owen requested an update on the expenditures of federal funds discussed in the South Dakota Department of Transportation Draft Audit Report.

A motion was made by Jamison and seconded by Oppeward to accept this audit report and recommend it for presentation to the City Council. Whitsell called for a voice vote and all members present voted yes. Motion Passed.

6. Review Report: 10-11 Great Plains Zoo and Delbridge Museum

Oksol reviewed the report and stated that Management's response (which was just received on Friday) was incorporated into the report.

Oksol stated that this audit was a review between the Great Plains Zoo and the City of Sioux Falls. The City owns the Zoo and contracted with the Zoological Society to run the Zoo. The Parks and Recreation Department provides routine maintenance to the grounds.

Please review the attachments to these minutes for more details on the following items:

Result One on Page 6: The city implementing a new agreement that is retroactive nearly five years.

Result Two on Page 6: The new agreement transferring ownership of the live animal inventory to the Society. The previous agreement stated that the City retained ownership with the Zoo managing the animals.

Result Three on Page 8: The previous agreement required that the Zoo provide the City with a copy of their IRS Form 990. The new agreement does not make this requirement.

Result Four on Page 9: The previous agreement required that the Society provide the City's Park Board with a written annual report. The current agreement states the annual report is available, upon request.

Result Five on Pages 9-10: On December 18, 2000, Resolution 129-00 authorized a \$75,000 interest free loan to the Society for operating cash flow. A \$75,000 check was sent to the Society on December 22, 2000. The loan was due on or before October 1, 2005. By Agreement 00-0014B, the due date was extended to March 31, 2006. On September 18, 2006, another \$75,000 check was sent to the Society. On September 26, 2006, the City received a \$75,000 check back from the Society to pay off the note.

A motion was made by Council Member Greg Jamison and seconded by Council Member Sue Aguilar to accept this audit report and recommend it for presentation to the City Council. Whitsell called for a voice vote and all members present voted yes. Motion Passed.

7. Discussion on Request for Proposal for external audit services.

The current agreement with Eide Bailly ends this year with no provisions for an extension. After discussion, it was determined that the Council will decide whether or not to move forward with an RFP or do another agreement with Eide Bailly. This item will be discussed again at the Audit Committee Meeting on Tuesday, May 17, 2011.

8. Discussion of process to replace committee members whose term expires in May.

The terms for Committee Members Whitsell and Oppegard end in May, 2011. The Council Members will be asking for recommendations for the appointment of new Audit Committee members.

Request from Lead Internal Auditor to attend the Mid-America

9. Intergovernmental Audit Forum in Kansas City, MO, on May 5-6 for purposes of continuing education.

Due to schedule changes this trip will be rescheduled. No action taken.

10. Open Discussion

There was none.

11. Executive Session

There was none.

12. Adjournment

A motion was made by Council Member Rex Roling and seconded by Council Member Greg Jamison to adjourn the meeting at 4:54 p.m. All members present voted yes. Meeting was adjourned.

Vote to adjourn: Roll Call: Yeses, Sue Aguilar, James Entenman, Greg Jamison, Rex Roling, Brad Whitsell, Anne Oppegard, Joseph Marsh, 7. Noes, 0.

Motion Passed.

Tamara Jorgensen, CMC

Assistant City Clerk