

These minutes are considered DRAFT until approved or amended at the next meeting.

MINUTES

Thursday, June 6, 2013

4:00 PM

Audit Committee Meeting

Carnegie Town Hall

Sioux Falls City Council

235 West 10th Street

Members Present: Council Member Greg Jamison, Audit Committee Anne Oppgaard, Audit Committee Member Jason Forbes, Audit Committee Member Arnold Martens

Members Absent: Council Member Sue Aguilar, Council Member James Entenman and Council Member Rex Rolwing

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

1. Call To Order

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

2. Welcome New Committee Member, Arnold Martens

Jamison introduced Arnold Martens who has volunteered to serve on the Audit Committee. Martens was recognized and welcomed by all.

3. Approval of Minutes

Council Members Sue Aguilar and Jim Entenman arrived at this time.

A. Meeting Held On Thursday, April 4, 2013

A motion was made by Commission Member Jason Forbes and seconded by Commission Member Anne Oppgaard to approve the minutes dated April 4, 2013.

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

4. Reports and Updates

A. Update On Action Steps For Follow-Up To Fraud Risk Assessment

Oksol reviewed a PowerPoint presentation covering the following topics: Previous Fraud situations; Action Steps Identified in FRA; Cash Handling Audits; Unannounced Cash Counts; Training; Outside Organizations; Fraud Hotline; City Bank Accounts; Employee Dishonesty Insurance; Segregation of Duties; Tone At The Top; Ethics Training; and Updated List of Revenue Streams.

B. Update On Training In Sioux Falls: IIA Spring Seminar

On April 22 and 23, 2013, Oksol and the Internal Audit staff attended a seminar in Sioux Falls that covered internal auditing items. He stated the training was very helpful to him and the staff.

C. Update On Training In Nashville: Peer Review

Oksol stated he and Internal Auditor Danette Schumacher attended a conference in early May. Oksol stayed for the May 5th Peer Review training and Schumacher stayed from May 5-7, 2013.

Schumacher provided a brief update on the conference which encompassed participation in four general sessions. She stated the sessions covered: Arson Investigations, Using Data To Manage Audit Risk, Using "The Cloud" To Store Data, and a new government impact act called "The Data Act" and how that would impact local government. Schumacher also selected and participated in the following classes: Conducting Difficult Audit Interviews, Creating An Ethical Culture, Engagement Risk Assessment, Dashboarding And How To Increase The Visibility of Audit Recommendations, Managing Third Party Risks and Challenges to Auditor Independence. She stated it was a very good seminar and that she had learned, through networking, that a lot of other city auditors are facing the same types of challenges as auditors in Sioux Falls.

Oksol provided an update on the Peer Review Training. He would like to ask the Peer Review Team to come to Sioux Falls in the later part of 2014. In order for this to occur, first Oksol will need to become a member of the Peer Review Team and to participate in an outside audit. The Chair of the Audit Committee will need to sign a form authorizing this participation on this team. The outside audit would require Oksol to be gone for a week to participate in this audit of government in another city.

Oksol stated that the city receiving the audit pays for the airfare, hotel, etc. expenses. Oksol stated he plans to add \$5,000.00 to his budget for the Peer Review audit in late 2014. He stated this should cover 2-3 auditors coming to Sioux Falls.

D. Update On Status Of Various Audit Projects

Oksol provided an update on the following draft reports: The Ambulance Service Contract (pending a meeting with Rural Metro) is scheduled for the August 1, 2013 Audit Committee Meeting; the Water Reclamation Billing Audit was also rescheduled to the August 1, 2013; The Parks and Recreation Cash Handling Audit was completed this week; and the City Owned Real Estate Office is now in progress. Oksol stated that The Internal Audit Department is going through their Annual Audit Plan and that they are making good progress.

5. Open Discussion

Oksol described the "Continuity Of Operations Plan" that was distributed by the Risk Management department. The plan requests a response to a questionnaire distributed to each department. Oksol stated the results from the questionnaire will be used to set up a process for each department to use in the event of an emergency evacuation, loss of power, shut down or movement of a department.

6. Adjournment

A motion was made by Council Member Sue Aguilar and seconded by Commission Member Anne Opegard to adjourn at 4:25 p.m.

Jamison called for a voice vote and all members present voted yes. Motion

Passed.

Tamara Jorgensen, CMC

Assistant City
Clerk