

MINUTES

Wednesday, September 14, 2016

4 PM

Audit Committee Meeting

Carnegie Town Hall

Sioux Falls City Council

235 West 10th Street

Members Present: Rex Rolwing, Jason Forbes, Arnold Martens, Rick Kiley, Seth Peterson, Michelle Erpenbach, and Greg Neitzert

Members Absent: None

Staff Present: Rich Oksol, Internal Audit Manager; Ashley Stroschein, Internal Auditor; Kim Schroeder, Internal Auditor; Tamara Jorgensen, MMC, Assistant City Clerk; and Jim David, Legislative/Operations Manager

1. Call To Order

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

2. Approval of Minutes

A. Meeting Held on Thursday, July 21, 2016

A motion was made by Rick Kiley and seconded by Jason Forbes to approve the minutes.

Vote to approve: Roll Call: Yeses, Rex Rolwing, Jason Forbes, Arnold Martens, Rick Kiley, Seth Peterson, Michelle Erpenbach, Greg Neitzert, 7. Noes, 0.

Motion Passed.

3. Reports and Updates

A. Review Audit Report 16-04 - Sioux Falls Development Foundation

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

A motion was made by Rick Kiley and seconded by Arnold Martensto accept this audit report and recommend it for presentation to the City Council. Rolwing called for a voice vote and all members present voted yes.

Motion Passed.

B. Review Audit Report 16-03 - Construction Manager at Risk

Oksol reviewed the report, detailed responses, recommendations and management responses. Discussion followed.

A motion was made by Michelle Erpenbach and seconded by Rick Kileyto accept this audit report and recommend it for presentation to the City Council. Rolwing called for a voice vote and all members present voted yes.

Motion Passed.

C. Update on Internal Audit Manager Position

Jane Hannestad, Human Resources Manager, provided the following updates regarding the Internal Audit Manager position: the members of the hiring panel are Rex Roling, Rick Kiley, Arnold Martins, and Jane Hannestad; the position will be advertised for three weeks beginning on September 26, 2016, in the following areas: Colleges, Universities, South Dakota Municipal League, Association of Local Government Auditors, and the Sioux Falls Chapter of the Institute for Internal Auditors. The group will be conducting the first round of interviews the week of October 31, 2016. After the initial interviews, the finalist(s) will meet with the entire Audit Committee and also meet with the full City Council in Executive Session at an Informational Meeting. Discussion followed.

4. Procedures and Ideas for Continuous Audits, Desk Audits, etc.

Oksol stated he and Scott Rust, Purchasing Manager, have been in conversations for a year regarding working together to review/ monitor purchasing transactions. Their discussion included the Audit Staff having electronic access to their processes/procedures, requisitions, quotes, materials, contract reviews, etc. to ensure the Purchasing Department is meeting statutory requirements. Additional discussion was held regarding having a shared hard drive between the Audit department and Finance so that both entities can review past reports and financial data on the same site. Discussion followed.

5. Record Retention

Oksol distributed and discussed a record retention policy. Discussion followed.

A motion was made by Michelle Erpenbach and seconded by Arnold Martin to accept this policy and recommend it for presentation to the City Council. Roling called for a voice vote and all members present voted yes. Motion Passed.

6. Audit Committee Meeting Schedule

The next Audit Committee Meeting is scheduled for Thursday, January 5, 2016, at 4 p.m. at the Carnegie Town Hall.

7. Open Discussion

There was none.

8. Adjournment

A motion was made by Rick Kiley and seconded by Jason Forbes to adjourn the meeting at 5:00 p.m. Committee Chair Rex Roling called for a voice vote and all members voted yes.

Motion Passed.

Tamara Jorgensen, MMC

Assistant City Clerk