

# Minutes

Thursday, May 23rd, 2006

**Audit Committee  
City of Sioux Falls**

7:00 p.m. at Carnegie Town Hall  
235 West Tenth Street



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Members Present:

Chair Paul Reiter, CPA  
Kevin Kavanaugh, City Council  
Anne Oppegard, CPA

Guests present:

Jennifer Holsen

Staff present:

Debra Owen, Chief of Staff

1. Welcome and Call to Order

Chair Paul Reiter called the meeting to order at 7:00. A motion was made by Kevin Kavanaugh to adopt the May 23, 2006 minutes and seconded by Anne Oppegard.

2. Jennifer Holsen, Director of Human Resources for the City of Sioux Falls

Discussion opened with questions by Jennifer concerning section 2.10 of the City Charter. Conversation then followed concerning whether 2.10 had language that prohibited the Council from having an internal audit function. Kevin Kavanaugh said there was no prohibition in the charter (including 2.10) which prevented the Audit Committee from this function. There was mention of both the Legislative Audit report from the state of South Dakota and the external auditor's management letter from 2004 which state the internal audit function should be separate from the administration and under the Audit Committee.

Jennifer then answered questions as to job descriptions and salary ranges of an internal audit staff. The Committee was to review job descriptions via their email and make changes they deemed necessary and get them back to Debra. There was a consensus among the Audit Committee that the internal audit team not be included in the labor bargaining unit of the City. Jennifer stated that the internal audit staff would be considered "classified employees" to accommodate this request.

There was discussion concerning the possibility of transferring the lone internal auditor to the Council. There was also discussion about how to go about posting for a Lead Auditor. The City Council will need to appropriate the money through a supplemental appropriation this year to fund this position.

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**3. Audit Charter Discussion for Internal Audit**

This discuss was tabled until next time due to the lengthy discussion on hiring an internal auditor.

**4. Open Discussion**

Discussed when to meet for the next meeting, there was a consensus that emailing worked best. In addition, the audit committee agreed to schedule two meetings for June.

**5. Adjournment**