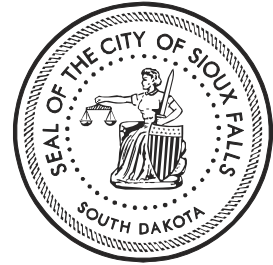


Minutes

Thursday, June 22, 2006

**Audit Committee
City of Sioux Falls**

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



Members Present:

Chair Paul Reiter, CPA
Anne Opegard, CPA
Brad Whitsell, CPA
Kevin Kavanaugh, City Council

Guests present:

Gary Colwill, City Attorney

Staff present:

Debra Owen, Chief of Staff

1. Welcome and Call to Order

Chair Paul Reiter called the meeting to order at 7:01. A motion was made by Anne Opegard to adopt the May 23, 2006 minutes with a stipulation that corrections be made to the minutes concerning the date of the meeting and change the word intern to internal. This motion was seconded by Brad Whitsell

2. Gary Colwill, City Attorney

Gary Colwill discussed the difference home rule charter vs. statute give by legislature. Sioux Falls has a home rule form of government. Home rule municipalities are presumed to have all power except for prohibitions of law. Gary said the legislature does not like home rule and have enacted a state statute which states that no home rule can adopt any standards less stringent than the states to limit home rule entities. The question was posed to Gary what other South Dakota cities have home rule. Gary answered he thought Vermillion, Pierre, Brookings were home rule.

Gary Colwill stated the audit function belongs to the City Council. He discussed how 2.10 mandates annual audit and provides for more audits as deemed necessary but is silent as to the internal audit function. Gary did state that the City Attorney's office will support the Audit Committees decision as to the internal audit.

3. Internal Charter Discussion

The Committee worked through the charter page by page and made changes where they deemed appropriate. After proposed changes were discussed, the Committee discussed having an ordinance drawn up by the City's Attorney to adopt the agreement. The committee hoped to review the City Attorney's draft ordinance for Wednesday, June 28th.

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4. Finalization of Job Descriptions

Through the chair Paul Reiter, the committee came to a consensus that the Lead Internal Auditor should be an exempt position and not attached to the bargaining unit. In addition this position would be classified and an appointed position and will be based on a pay for performance criteria.

The committee then worked through the job description making changes where necessary. After all final proposed changes were discussed the committee agreed to submit it to Jennifer Holson for her review.

5. Open Discussion

Paul Reiter asked Kevin Kavanaugh about the possibility to meeting with the Mayor to give him an update on the Audit Committee, moving internal audit function and the transfer of staff. Kevin said he thought we could arrange for a meeting. There was a discussion as to whether the City Attorney and Director of Finance should be invited. The committee thought it would be a good idea to invite them but would leave that up to the Mayor.

6. Adjournment