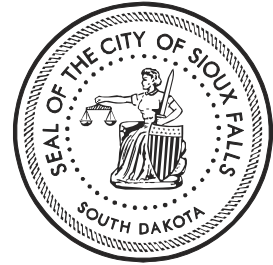


Minutes

Thursday, June 28, 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:

none

Staff present:

Debra Owen, Chief of Staff

1. Welcome and Call to Order

Chair Paul Reiter called the meeting to order at 7:05. A motion was made by Kevin Kavanaugh to adopt the June 22, 2006 minutes with a stipulation that corrections be made to the minutes concerning the title be changed from agenda to minutes. This motion was seconded by Bob Jamison.

2. Update on Meeting with Mayor

The Audit Committee will meet with the Mayor on July 6th at 10:00 at the Mayor's office in City Hall. Those attending will be Committee Chair Paul Reiter, Bob Jamison, Debra Owen and possibly Brad Whitsell. Paul Reiter stated the Audit Committee will brief the Mayor regarding the purpose and agenda -of the Committee. Paul added that the Internal Audit function will be compliance focused.

3. Final Review of the Charter

Paul led discussion of proposed changes. The Committee came to agreement that the internal audit charter was ready to proceed to the City Council. Paul asked to the committee to approve the internal audit charter. Brad Whitsell made a motion to approve the charter as it now stands. The motion was seconded by Anne Opegard. The motion was unanimously approved.

4. Human Resources Update on Hiring the Internal Auditor.

The group discussed the proposed ordinance from the City Attorney's office for the Lead Internal Auditor. Kevin Kavanaugh inquired as to why we needed this ordinance. Others had similar questions which they will ask Gary Colwill about in the July 6th meeting.

Debra Owen stated that the Human Resources Director, Jennifer Holsen, had felt that it would be cleaner to post the lead internal auditor position then to transfer the

MINUTES for Audit Committee

June 28, 2006

Page 2

internal auditor position over to the Council. Paul Reiter chair wanted to pursue further the possibility of the transfer. Debra Owen stated that the Audit Committee would need to have Gene Rowenhorst's permission to have an employee transferred. Paul felt it best to exhaust the possibility of a transfer first before the Audit Committee posted the lead internal auditor.

5. Finance Department Reports

Kevin Kavanaugh inquired as to whether the Audit Committee wanted to see the monthly financial reports to the Audit Committee. Paul Reiter suggested this wait until after the Committee worked through the preliminary matters and have an internal audit staff person. Brad Whitsell and Anne Oppedard said they wouldn't mind receiving electronic versions of the reports at this time.

6. Open Discussion

The Committee set a date for a box lunch on July 13th at the Carnegie. This meeting will serve to get ready for the July 17th presentation to the City Council at the Informational Meeting.

7. Adjournment