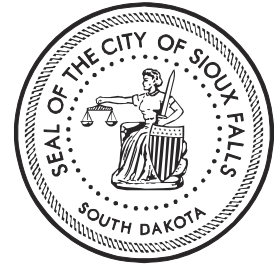


# MINUTES

Tuesday, July 31, 2007



**Audit Committee**  
**City of Sioux Falls**

6:30 p.m. at Carnegie Town Hall  
235 West Tenth Street

Members Present: Kevin Kavanaugh, Paul Reiter, Anne Oppegard, Pat Costello, Brad Whitsell

Staff Present: Lead Internal Auditor, Rich Oksol; Internal Auditor, Tim Buseman; City Clerk, Debra Owen, City Clerk; Assistant City Clerk, Jamie L. Palmer

Guests Present: City Attorney, Gary Colwill

## 1. Welcome and Call to Order

- Committee Chair Reiter (Reiter) called the meeting to order at 6:30 p.m.

## 2. Approval of May 31, 2007 minutes

- A motion was made by Reiter to strike (from the minutes) the statement "The Audit Committee is new and has not shown a lot of progress yet so this could be difficult to justify." Kevin Kavanaugh (Kavanaugh) seconded the motion. A voice vote was taken and all members voted yes. Brad Whitsell (Whitsell) made a motion to approve the May 31, 2007 minutes as amended and Kavanaugh seconded the motion. Reiter called for a voice vote and all members voted yes.

## 3. Discuss City Attorney Request for Special Audit

- City Attorney, Gary Colwill (Colwill) requested a special audit of John Q. Hammons' affairs relating to the management of the convention center. The main focus of the audit would be contract compliance for the last two years. The city would also like to know who owns the booking software. Rich Oksol (Oksol) stated that this special request could take approximately four weeks with full cooperation. If necessary, Colwill is willing to prepare, sign and send the seven day written notice to John Q. Hammons. Colwill left the meeting at this time.
- Discussion followed regarding the ability to fit this special request into the audit schedule. A motion was made by Kavanaugh for Oksol to review the possibility to conduct this audit and Anne Oppegard (Oppegard) seconded the motion. Reiter called for a voice vote and all members voted yes.

## 4. Discussion of Budget Request to Restore Third Internal Audit Position

- Oksol stated that Budget hearings will occur next Tuesday, Wednesday, and Thursday. Debra Owen (Owen) shared the specifics of the hearing schedule. There was discussion regarding the need for a third internal auditor and how the need for this position can be justified. The position was previously in the budget in April but was taken out at the request of the Mayor. If the committee wishes to reinstate the request for the third position, they can come before the Council during the Budget hearing. Oksol will compile a list of audit work that can be completed with three auditors, as well as, a list of projects that would not be completed without the third auditor. Reiter will write a letter and develop a short presentation for the Budget hearing.

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5. Review & Discuss Audit Reports: Fraud Risk Assessment and Antifraud Procedures
  - There was discussion regarding the reports and suggestions for some minor changes (i.e., spell out acronyms). Oksol will make the changes as suggested and email the final reports to the committee. Oksol will provide copies of the full report to the Council and read the executive summary at the Informational meeting. The reports will be made available to the Mayor at the same time.
6. Discuss Rotation of Committee Chair
  - Reiter opened the discussion of committee chair. Kavanaugh made a motion for Whitsell to serve as committee chair for the next year and Pat Costello (Costello) seconded that motion. A voice vote was called and all members voted yes.
7. Update on Other Audit Activities
  - Oksol spoke regarding the Cash audits which are tentatively scheduled to be completed at the end of August. The construction audit is also in process and is more than half finished. Once the audits are complete, the results will be compiled and brought to the committee.
8. Open Discussion
  - Whitsell questioned if this committee meeting has to be an open meeting or if they can enter into executive session. Kavanaugh would like some guidance on how other committees handle this issue (i.e., Human Relations Board.) Owen will ask Colwill for a written opinion on this item.
9. Adjournment at 8:15 p.m.
  - A motion was made by Kavanaugh to adjourn at 8:15 p.m. and Opegard seconded the motion. Reiter called for a voice vote and all members voted yes.

Jamie L. Palmer  
Assistant City Clerk