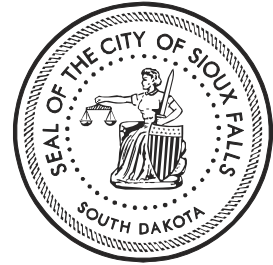


MINUTES

Thursday, December 20, 2007

**Audit Committee
City of Sioux Falls**

4:30 p.m. at Carnegie Town Hall
235 West Tenth Street



Members Present: Anne Opegard, Pat Costello and Brad Whitsell
Members Absent: Kevin Kavanaugh and Paul Reiter
Staff Present: Lead Internal Auditor, Rich Oksol; City Clerk, Debra Owen; Assistant City Clerk, Jamie L. Palmer
Guests Present: Ty Inglis, Eide Bailly

1. Welcome and Call to Order
 - Committee Chair Whitsell called the meeting to order at 4:30 p.m.
2. Discussion of upcoming external Audit of City financial statements
 - Ty Inglis, Eide Bailly, opened the discussion regarding the external audit of the City financial statements. Inglis stated that this is their third year, of a three year agreement, for external auditing. The field work will occur the last week of January through the first week in February. Inglis stated that the audit reports provided by Rich Oksol will supplement their audit. Inglis stated that they have received the GFOA comments regarding 2006 financial statements. The only areas of concern are that there is new staff in the Grants Department and there was some confusion regarding Metro Communications. Inglis asked for questions and concerns regarding the external audit at this time. Costello asked if there is a standard format for budget presentations and the answer was no.
3. Approval of November 1, 2007 minutes
 - A motion was made by Opegard and seconded by Costello to approve the minutes from November 1, 2007 as written. A voice vote was taken and all members voted yes. Motion carried.
4. Review and Discussion of proposed media policy
 - Oksol stated that the draft media policy was reviewed with Kevin Smith, Assistant Director of Public Works and Jodi Schwan, Chief of Staff. Points 6, 7, 8 & 9 were added per their suggestions. Opegard recommended to remove "whenever possible" from Item 8. A motion was made by Costello and seconded by Opegard to approve the policy as amended. A voice vote was taken and all members voted yes. Motion carried.
5. Update on selection of provider for Fraud Hotline Service
 - Oksol reported that five RFP's were received and reviewed. A decision has been made for The Network and the contract has been received and is being reviewed. The target date of implementation is the end of January or early February. Discussion occurred regarding marketing materials and the need for them to be ready as soon as the hotline is effective. Oksol will follow-up with the marketing materials.
 - Owen asked if a Whistle-blower ordinance would be necessary to protect employees and discussion followed.

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6. Review and Approval of 2008 Annual Audit Program

- Questions and discussion occurred regarding the 2008 Annual Audit Program. Whitsell recommended changing "85%" to "50%" on page 6 regarding Revenue Accounts from Previous Year.
- Discussion regarding the 10% unassigned audit hours. This will be left as-is for now.
- Kavanaugh sent an email to Oksol and stated that he would like the Auditors to continue to monitor bid thresh-holds. Discussion regarding the bid process for the City. Owen stated that she will be working to draft an ordinance that will make the quotes/bids a public record.
- A motion was made by Costello and seconded by Oppegard to approve the 2008 Annual Audit Program. The 2008 Audit Program will be calendared for the City Council meeting on January 7, 2008.

7. Open Discussion

- There were 20 applicants for the third auditor position. Interviews will start in the middle of January.
- Before the official offer is made to the new Internal Auditor, Whitsell asked that a copy of their resume is emailed to all Audit Committee members. Oksol stated that he would email the resume.
- Oksol stated that the next Audit Committee meeting will occur at the end of January to discuss the Purchasing Audit and Pavilion Audit.

8. Adjournment at 5:15 p.m.

Jamie L. Palmer
Assistant City Clerk