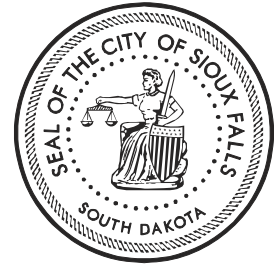


MINUTES

Thursday, March 27, 2008



Audit Committee

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

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

Staff Present: City Clerk Debra A. Owen; Assistant City Clerk Jamie L. Palmer; Lead Internal Auditor Rich Oksol; Director of Finance Eugene Rowenhorst; Internal Auditor Jeff Weber; Ty Inglis, Eide Bailey

1. Call To Order

Committee Chair Whitsell called the meeting to order at 4:30 p.m.

2. Approval of minutes

A motion was made by Kavanaugh and seconded by Oppegard to approve the minutes from January 29, 2008. Whitsell called for a voice vote on the motion. All members voted yes. **Motion carried.**

3. Introduce new staff auditor, Jeff Weber

Jeff Weber introduced himself and gave a brief summary of his previous work experience.

4. Review of Audit Reports

The draft Transit Management Agreement Audit report was reviewed and discussed. A few minor changes were made to the document. A motion was made by Costello and seconded by Kavanaugh to approve the Transit Management Agreement Audit report as amended. Whitsell called for a voice vote on the motion. All members voted yes. **Motion carried.**

The draft Payroll Audit report was reviewed and discussed. A motion was made by Kavanaugh and seconded by Reiter to approve the Payroll Audit report as written. Whitsell called for a voice vote on the motion. All members voted yes. **Motion carried.**

The draft Sanitary Landfill Cash Handling Audit report was reviewed and discussed. A motion was made by Reiter and seconded by Kavanaugh to approve the Sanitary Landfill Cash Handling Audit as written. Whitsell called for a voice vote on the motion. All members voted yes. **Motion carried.**

5. Discussion of whistleblower protection draft ordinance

Oksol stated that he composed this draft ordinance after reviewing ordinances from other cities. A few minor error were corrected. Discussion occurred regarding the number of days an employee has to file a detailed written report. Question asked if detailed written report needs to be clarified. Oksol to reword the section regarding the number of days to file a detailed written report and will work with Owen or the City Attorney to finalize this ordinance.

6. Discussion of management letter from external auditor for audit of 2007 Financial Statements

Ty Inglis stated that the external audit work for year end December 31, 2007 has been completed and the management report was reviewed and shared with those present. The management report

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will be presented to the City Council at the Informational meeting on Monday, March 31, 2008 at 4:00 p.m.

Inglis shared a Proposal for Professional Services and pointed out highlights of the document. The current 3 year contract is expired. Whitsell stated that the committee will review the proposal and submit questions to him via email which he will then forward to Inglis. Discussion followed regarding the proposal and if the committee wants to proceed with the RFP process. Whitsell stated that he would give the members 1-2 weeks to review the proposal and then he would send an email to get input on how the committee wants to proceed.

7. Open Discussion

Discussion occurred regarding the Audit committee's role in initiating the Independent (External) Auditor. Costello read the Section 2.10 of the City Charter that outlines the Independent Auditor. Discussion followed regarding the need for a Resolution to specify that the Audit Committee will hire the Independent Auditor. Owen to draft the resolution and forward it to the City Attorney's office to be finalized.

8. Adjournment at 5:49 p.m.

Jamie L. Palmer
Assistant City Clerk