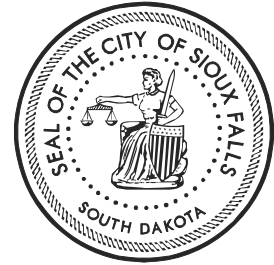


# MINUTES

Tuesday, November 25, 2008



---

## Audit Committee

4:02 p.m. at Carnegie Town Hall  
235 West Tenth Street

---

Members Present: Pat Costello, Greg Jamison, Anne Opegard, and Brad Whitsell

Members Absent: None

Staff Present: City Clerk Debra A. Owen; Assistant City Clerk Jamie L. Palmer; Lead Internal Auditor Rich Oksol; Internal Auditor Timothy Buseman; and Internal Auditor Jeff Weber

Guests: Director of Finance Eugene Rowenhorst; Assistant City Attorney Shawn Tornow; Planning & Building Services Director Mike Cooper; Chief of Staff Jodi Schwan; Assistant Director of Parks & Recreation Dave Fischer; and Parks & Recreation Director Don Kearney

1. Call To Order

Committee Chair Whitsell called the meeting to order at 4:02 p.m.

2. Review and approve minutes from Meeting on 10/16/08

A motion was made by Costello and seconded by Jamison to approve the minutes. A voice vote was taken and all members present voted yes. **Motion carried.**

3. Special project report: Code Enforcement

Discussion was held regarding a recent Audit that was completed on Code Enforcement. Internal Auditor Tim Buseman stated that Code Enforcement employees were interviewed and work processes were observed. A flow chart was completed to outline the processes. Whitsell stated that there were many guests today to discuss the report.

Mike Cooper, Director of Planning & Building Services, stated that he would be providing a response to the Auditor's recommendations. He stated that staff had concerns regarding the conclusions and the recommendations. Administration felt that the audit process exceeded the initial scope of the request which was to determine the amount of uncollected fines for code violations and the steps the City takes to collect those fines. Several of the recommendations deals with matters of administrative affairs unrelated to financial practices. Cooper highlighted the response memo and copies were provided. Discussion followed. Whitsell stated that recommendations are not mandatory only suggestions. The department has every right to disagree with any of the recommendations.

Costello asked why the city is not placing a lien/assessment against properties when a violation occurs. The court process seems far more expensive. He understands that it wouldn't be a revenue generating process but that it would be easier than the court process. Discussion followed.

---

## Audit Committee Minutes

**November 25, 2008**

### Page 2

Whitsell stated that because they just received the response to the Code Enforcement Audit, he felt that it would be appropriate to table the approval of the Code Enforcement Audit Report.

A motion was made by Oppegaard and seconded by Jamison to table approval of the Code Enforcement Audit Report. A voice vote was taken and all members present voted yes. **Motion carried.**

#### 4. Update on Convention Center audit

Internal Auditor Jeff Weber stated that administration has asked for a one week extension in order to prepare a response to the report. General Manager Scott Kavanaugh has provided a response from Global Spectrum. Weber reviewed the highlights from the audit report. Discussion followed.

A motion was made by Jamison and seconded by Costello to table approval of the Convention Center Management Audit Report. A voice vote was taken and all members present voted yes. **Motion carried.**

#### 5. Golf Courses Audit Report

Discussion was held regarding the Golf Course Audit Report. Oksol reviewed the report and he stated that cooperation from staff was excellent.

A motion was made by Oppegaard and seconded by Jamison to approve the Golf Courses Audit Report. A voice vote was taken and all members present voted yes. **Motion carried.**

#### 6. 2009 Annual Audit Plan

Discussion was held regarding the 2009 Annual Audit Plan. Oksol stated that once the Audit Committee reviews and approves this plan, it goes before the City Council by Resolution. Whitsell made a recommendation to add a statement of purpose to the Cable TV Franchise Fee Audit. Owen shared that the contract is currently being renegotiated. Whitsell stated that "amount" should be added after "tremendous" to the second sentence on page 5.

A motion was made by Costello and seconded by Jamison to approve the 2009 Audit Plan. A voice vote was taken and all members present voted yes. **Motion carried.**

#### 7. Update of filling vacant Audit Committee Seat

Whitsell stated that Joe Marsh, if appointed by the Council, has agreed to serve on the Audit Committee. Owen shared that the Resolution is scheduled to come before the Council on Monday, December 1, 2008 and the biography information will be included in the red notes sent to the Council. The new member will be introduced at the Informational Meeting on Monday, December 1, 2008, at 4:00 p.m.

#### 8. Open Discussion

Oksol shared information regarding a survey he completed sponsored by the Institute of Internal Auditors Research Foundation. The aim of the project is to determine the "right" size of an internal audit function. The results will be shared with the participants. Oksol stated that Audit Committee Members were welcome to participate so he will forward the email to them.

## Audit Committee Minutes

**November 25, 2008**

**Page 3**

Discussion was held regarding a meeting schedule for 2009. Members stated that Tuesdays and 4:00 p.m. work best for most. Oksol stated that he will compile a list of five potential dates and email it to the members for approval.

### 9. Adjournment

A motion was made by Opegard and seconded by Costello to adjourn the meeting at 5:12 p.m. A voice vote was taken and all members present voted yes. **Motion Carried.**

Jamie L. Palmer  
Assistant City Clerk