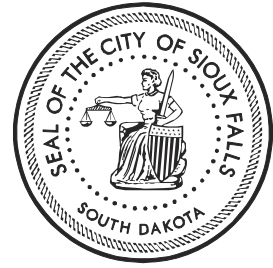


MINUTES

Thursday, June 12, 2008



Audit Committee

4:35 p.m.
Carnegie Town Hall
235 West Tenth Street

Members Present: Brad Whitsell, J. Pat Costello, Anne Oppegard, and Greg Jamison

Members Absent: Paul Reiter

Staff Present: City Clerk Debra A. Owen; Assistant City Clerk Tamara M. Jorgensen; and Lead Internal Auditor Rich Oksol

1. Call To Order

Committee Chair Whitsell called the meeting to order at 4:35 p.m.

2. Welcome new member, Council Member Greg Jamison

Introductions were made and Jamison was formally welcomed to the committee.

3. Review and approve minutes from last two Committee meetings, 3/27/08 and 5/05/08.

A motion was made by Costello and seconded by Oppegard to approve both sets of minutes. A voice vote was taken and all members present voted yes. **Motion carried.**

4. Results of City Council action on Audit Committee's involvement with external audit.

Whitsell gave an update on the resolutions that were approved at the City Council Meeting on Monday, June 9, 2008. The Audit Committee now has responsibility for the External Auditors.

5. Discuss and review two audit reports: Building Services cash handling, Arena management.

Discussion was held regarding the two reports: the questions were asked on whether or not the Arena has a limit on ticket fees and whether or not the revenue is self imposed.

A motion was made by Costello and seconded by Oppegard to approve the Building Services cash audit report. A voice vote was taken and all members present voted yes. **Motion carried.**

A motion was made by Oppegard and seconded by Costello to approve the Arena management audit report. A voice vote was taken and all members present voted yes. **Motion carried.**

6. Discuss revised whistle blower ordinance.

In the existing proposed ordinance, the timeline for an employee (who feels they have suffered retaliation) to file a detailed written report is *two* years from the date of the alleged action. A change will be made to the proposed ordinance to change this timeline to one year. The code section needs to be determined and the City Attorney's office will have an opportunity to review the proposed ordinance. After which, Owen will bring this proposed ordinance forward to the City Council on behalf of the Internal Audit Committee.

A motion was made by Costello and seconded by Oppegard to recommend approval of the proposed ordinance and authority to bring it before the City Council. A voice vote was taken and all members present voted yes. **Motion carried.**

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7. Discuss and review midyear internal audit status report

Oksol stated that he would like to present this information to the City Council at an Informational Meeting in July and would like to use a power point presentation. The Audit Committee agreed with this procedure.

A motion was made by Opegard and seconded by Costello to recommend approval of the audit status report. A voice vote was taken and all members present voted yes. **Motion carried.**

8. Open discussion

Oksol stated the he will send out a city employee mailing in the next two weeks to remind the employees of the Hotline availability. He stated that a monthly report is processed and that there has been minor activity. Discussion was held regarding advertising the employee hotline.

A motion was made by Whitsell and seconded by Costello to recommend approval of the employee mailing. A voice vote was taken and all members present voted yes. **Motion carried.**

Jamison asked about the timeline for auditing construction contracts. He stated he has received feedback that bids may be written with specifications that match only certain contractors. Oksol stated that he could review bid tab mailings through the city wide disbursement audit scheduled for the fall.

Costello added that he was told that bids are done per line item and that the payments are handled by line item. However, the payments are made in a lump sum. The suggestion was made that the internal auditors match the contracts back to the line items to remove any potential risks. He stated that he had been told that local contractors are aware of the difference and adhere to the rules but that 'external' contractors may take advantage of the difference.

9. Adjournment

Committee Chair Whitsell adjourned the meeting at 4:55 p.m.

Tamara M. Jorgensen
Assistant City Clerk