



City of Minneapolis

2014 Audit Plan Options (Resources)

Audit Committee Meeting Presentation

July 31, 2013

Co-sourcing with Consulting Firms



- In-house Senior Auditor project hourly rate* = \$67
- Average Consulting Firm hourly rate = \$141

Cost Comparison of Outsourcing vs. In-house FTEs



Outsourcing versus In-house Cost Comparison

	Current	Option 2	Option 3
	2 FTE	3 FTE	4 FTE
Cost for FTE Options	\$ 305,000	\$ 430,615	\$ 520,185
Number of Audit Projects	6	13	18
Total Hours	2,736	4,467	6,198
Average Blended Rate for Outside Consulting Firms	\$ 155	\$ 155	\$ 155
Cost for Outsourcing	\$ 424,080	\$ 692,385	\$ 960,690
Additional Cost Requested	\$ 119,080	\$ 261,770	\$ 440,505

Co-sourcing with County or State Auditor

- The State Auditor may be able to work with the City Internal Audit Department on a project to project basis in the future; however, they are not able to in 2013.
- The Hennepin County Internal Audit is willing to collaborate with the City Internal Audit. The County Internal Audit would provide routine audit staffing resources to the City of Minneapolis Internal Audit, and specifically not intended to provide audit management or Chief Audit Executive resources. In order to plan sharing of resources, the County would need projects, timelines, and staff needs by December 1, 2013 to be able to start projects by March 1, 2014. Hennepin County would retain the right to accept and reject assignments.