

Minneapolis Audit Committee Minutes August 26, 2014

A regular meeting of the committee was convened at 9:37 a.m. on this date in Room 317, City Hall, a quorum being present.

Members Present: Minneapolis City Council Members Linea Palmisano (chair), John Quincy; Minneapolis Citizen Members Mark Oyaas and Scott Neal (Quorum 4)

Members Absent: Minneapolis City Council Member Alondra Cano; Minneapolis Park & Recreation Board representative Anita Tabb

1. Adopt Agenda.

On motion by Quincy, carried on voice vote, the agenda was approved as printed.

2. Internal Audit Overview:

- a) Review Work Group audit history/ordinance/process;**
- b) Nature of an independent Audit Committee;**
- c) Work Group actions of 2014.**

Peter Ebnet, Management Analysis with the Minneapolis City Clerk/City Council offices, provided an overview on Item #2a and narrated a PowerPoint presentation relating to the audit process.

On motion by Palmisano, carried on voice vote, the matter was received and filed.

3. Audit Committee Vice Chair: Election of Vice Chair.

Palmisano nominated Mark Oyaas to serve as Vice Chair for the remainder of his term of office.

On motion by Palmisano, carried on voice vote, Mark Oyaas was elected to serve as Vice Chair of the Audit Committee for the remainder of his term.

4. Audit Committee Regular Meeting Schedule: Adopt change in schedule for remainder of Regular Audit Committee meetings for 2014 to September 16, October 28 and December 2, at 9:30 a.m.

On motion by Palmisano, carried on voice vote, the matter was approved, and the City Clerk's office directed to update and republish the City Council's 2014 meeting calendar to reflect the change.

5. Audit Committee Rules: Adopt existing Rules.

On motion by Palmisano, carried on voice vote, the matter was approved.

6. Internal Controls Update: Report on internal control/documentation efforts year-to-date, and specifically around strategic and other non-profit partnerships.

Kevin Carpenter, Chief Financial Officer for the City, reported on the ongoing effort that the City takes to typically look at and address the City's internal control and risk management framework

On motion by Palmisano, carried on voice vote, the matter was received and filed.

7. Audit Plan:

- a) Status report on items contained in the 2013 Audit Plan and 2014-2015 Audit Plan;**
- b) Audit Partnerships/State of Minnesota-Office of State Auditor Management and Compliance Reports for 2014;**
- c) Status report on recruitment of new City Internal Auditor.**

Kevin Carpenter provided a briefing on Item 7a, and the City's ongoing relationship with the State Auditor, noting the key functions provided to the City on an annual basis: 1) an audit of the financial statements of the City and the issuance of an opinion, including footnotes and supplementary documents; and 2) issuance of a management and compliance letter to City leadership regarding observations about the City's internal controls and risk management framework.

Peter Ebnet reported on the recruitment of a new City Internal Auditor.

On motion by Palmisano, carried on voice vote, the matter was received and filed.

With no further business to transact, the meeting adjourned at 10:20 a.m.

Reported by Irene Kasper, Committee Coordinator