

**MINUTES  
SPECIAL MEETING  
AUDIT COMMITTEE**

**AUGUST 31, 2011**

Committee Members Present: Council Members Diane Hofstede, Betsy Hodges, Sandy Colvin Roy; Minneapolis Park & Recreation Board Representative Mark Oyaas; Citizen Member Stephanie Woodruff (Quorum 4)  
Committee Members Absent: Citizen Member Darrell Ellsworth

Chair Hofstede called the meeting to order at 9:30 a.m. in Room 317, City Hall, a quorum being present.

\* \* \* \* \*

**1. Ampco Contract Review: a) Review Internal Audit Report on Ampco System Parking, operator of the Municipal Parking System; and b) Direct staff to publish the report.**

Magdy Mossaad, Internal Auditor, reviewed the report summary of findings, management action plans and recommendations. Jake Claeys, Office of Internal Audit, was also present.

Committee discussed: the relationship between the City's audit team and Ampco's audit team; Audit Finding No. 1 State Revenue Bank Account, and what name the account(s) are in (City or MnDOT); Audit Finding No. 9 Incentive Payments and employee review of the incentive schedules; Audit Finding No. 3 Timely Contract Negotiation.

Atif Saeed, with Ampco System Parking, Manager/Traffic and Parking Services, stepped up to address Audit finding No. 9.

**2. Water Revenue Capture Review: a) Review Internal Audit Report on Public Works/Water Department; and b) Direct staff to publish the report.**

Magdy Mossaad, Internal Auditor, reviewed the report summary of findings, management action plans and recommendations.

Committee discussed: No. 3 Raw Water Production Meters; No. 4 Un-metered Water Usage; the Water Advisory Board; No. 2 Adjustments and Refunds.

Bernie Bullert, Director of Public Works/Water Treatment & Distribution Services, explained unmetered water uses, and indicated there would always be water that you cannot find due to leaks in water mains, drainage in the ground, meters that do not register. His plan was to review each of the areas and track.

Mr. Mossaad explained the result of the feasibility assessment recommendation on No. 4 would be a part of the quarterly report of the internal auditor.

Colvin Roy expected to see the information, when available, brought to the Water Advisory Board and moved that direction be given to the Public Works/Water Treatment & Distribution Services Director to report to the Minneapolis Transportation & Public Works Committee regarding the unmetered water usage, when they had completed their study of the issue.

Adopted upon a voice vote.

Absent - Ellsworth.

Hofstede moved to receive and file the Ampco Contract Review and Water Revenue Capture Review reports, and that staff be directed to publish the reports.

Adopted upon a voice vote.

Absent - Ellsworth.

Chair Hofstede announced Mr. Mossaad had completed one year as the City's Internal Auditor and thanked him for his work. Additionally, members were reminded of the scheduled Audit Committee Workshop of Thursday, September 29, 2011, from 9:00 a.m.-12:00 Noon.

The meeting adjourned at 10:38 a.m.

Submitted by: Irene M. Kasper, Council Committee Coordinator/City Clerk's Office