

**MINUTES
REGULAR MEETING
AUDIT COMMITTEE**

March 28, 2012

Committee Members Present: Council Members Diane Hofstede, Barbara Johnson, Betsy Hodges; Minneapolis Park & Recreation Board Representative Mark Oyaas; Citizen Members Darrell Ellsworth and Stephanie Woodruff (Quorum 4)

Chair Hofstede called the meeting to order at 9:34 a.m. in Room 317, City Hall, a quorum being present.

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1. Adopt Agenda.

2. Accept Minutes of the Regular Meeting of February 22, 2012.

Hofstede moved adoption of the agenda and acceptance of the minutes.
Adopted upon a voice vote.
Absent - Hodges.

3. Grant Management Process Review:

a) Review Internal Audit Report;

b) Direct staff to publish the report (Action Taken 12/7/2011: *Postponed, with request that Kevin Carpenter/Finance Officer & other members of Finance Department attend meeting; Action Taken 2/22/2012: Postponed*).

Magdy Mossaad, Internal Auditor, reviewed the report and recommendations along with a PowerPoint presentation. Also present were Kevin Carpenter, Chief Financial Officer; Connie Griffith, Controller; Jayne Khalifa, City Coordinator; Matt Bower, Department of Intergovernmental Relations (IGR) staff; and Gene Ranieri, Director of IGR, who arrived after beginning of discussion.

Committee discussed/questioned:

- Whether all of the Objectives were under the purview of City of Minneapolis management in lieu of the Internal Auditor, specifically 1,4, 5 and 6
- The need to clearly understand the role of the Internal Auditor

Kevin Carpenter stepped up to address the question of why the COMPASS module wasn't purchased and whether it was an efficient use. During the implementation of COMPASS, an analysis was done of the functionality and the cost of implementing the grants management sub module. At the time, the team decided that not only was the cost too high but they perceived limited improvement in the availability of information for grant oversight and financial management efficiency.

In the longer term system planning, Finance is looking at a variety of interface opportunities to enhance reporting and information flows across a variety of systems including but not limited to grant management. It is a comprehensive review that involves a variety of systems, not all of which are owned by the Finance Department.

Johnson moved to accept the grant management audit report, with the recommendation that the Chair of Audit Committee to introduce at the next regular meeting of the City Council (3/30/2012) the report, with the recommendation to refer the report to the Ways & Means/Budget Committee.
Adopted upon a voice vote.

New Business

There was no new business.

Report of Internal Auditor

4. Update on audit activities.

The request was made that Mr. Mossaad notice the Audit Committee for all upcoming audit reports, via providing a copy of the letter of communication that will be sent to affected department heads, along with the scope and objectives of the proposed audit.

Announcements

Regarding the second Audit Committee workshop, the committee discussed the importance to vet out roles and responsibilities, and to invite other City staff so everyone is versed on the role of the internal auditor, the role of the committee, and those things that need to be defined in terms of the Audit Committee function and responsibility.

Casey Carl, City Clerk, would provide a written report in the next few weeks on draft agenda items for the workshop, City staff invitees, etc.

Hofstede moved to adjourn at 10:38 a.m.
Adopted upon a voice vote.

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