

INTERNAL AUDIT

MISSION

Internal Audit assists the City of Minneapolis achieve its objectives. It serves the City of Minneapolis and the public interest by providing the Mayor, City Council, and other City leaders and management with objective services to help minimize risks, improve internal controls, maximize efficiencies and effectiveness of operations, reduce cost, and strengthen accountability.

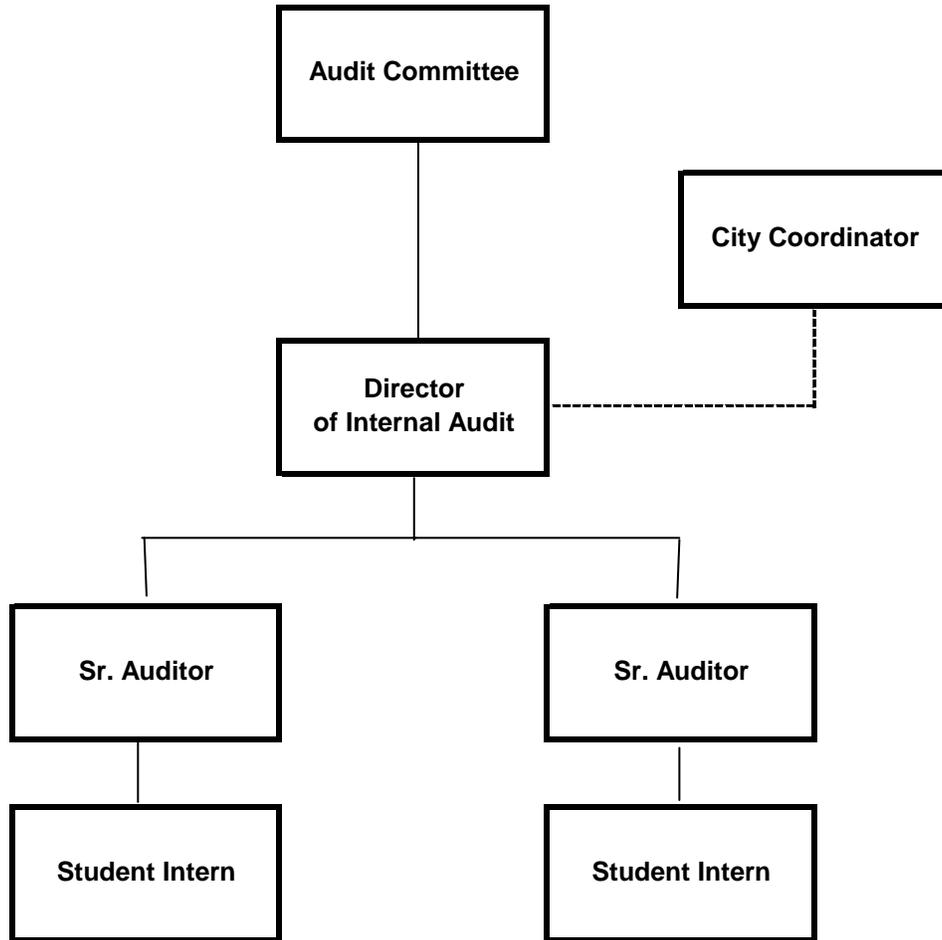
BUSINESS LINES

Powers and duties of the Internal Auditor

- The internal auditor shall:
 - 1) Establish guidelines, policies, and procedures for the conduct of periodic internal audits.
 - 2) Develop an annual audit plan to be submitted to the Audit Committee for approval.
 - 3) Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of city funds, shall seek advice from the city attorney as appropriate and report any suspected criminal activity to appropriate law enforcement authorities.
 - 4) Appraise the Audit Committee on the adequacy of action taken by departments to correct report deficiencies.
 - 5) Implement a comprehensive audit plan to review and evaluate the adequacy and effectiveness of the city's internal system of financial controls to ensure:
 - a) The reliability and integrity of financial records and reports.
 - b) Compliance with policies, procedures, ordinances, rules and statutes related to expenditures and financial controls.
 - c) That assets are safeguarded from loss.
 - 6) Coordinate with external auditors and assist in the implementation of corrective actions recommended by external auditors as appropriate.
 - 7) Submit an annual report to the mayor and city council indicating audits completed, major findings, corrective actions taken by administrative managers, and significant findings which have not been fully addressed by management.
- The internal auditor may:
 - 1) Subject to the approval of the Audit Committee, conduct special reviews and programmatic reviews at the request of the mayor, city council, finance officer, city departments, boards and commissions.
 - 2) Provide assistance to city departments, boards and commissions for evaluation of financial controls. (2009-Or-190, § 4, 12-18-09)

ORGANIZATION CHART

**City of Minneapolis
Department of Internal Audit
Organization Chart**



DEPARTMENTAL PROGRAMS BY GOAL AREA AND FUNDING

A City that Works

Internal Audit

General Fund: \$437,559

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve City of Minneapolis (the City) operations. We help the City accomplish its goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Our responsibilities include: 1) financial reviews, 2) operational reviews (related to department operations), 3) compliance reviews (related to federal, State and local rules and regulations), 4) information technology (IT) reviews (related to system access, general controls, networks, databases and interfaces), 5) consulting and training services for internal controls enhancements, and 6) fraud investigations.

To perform our role effectively, Internal Audit is organizationally independent from management to enable unrestricted evaluation of organizational activities.

Measure: Resident satisfaction rating of City services

FINANCIAL ANALYSIS

EXPENDITURE

The Internal Audit Department's General Fund allocation increases by \$57,790 to \$437,559, or 15.2% in the Council Adopted Budget while reducing 0.5 FTE.

REVENUE

This department does not produce revenue.

FUND ALLOCATION

This department is funded entirely in the General Fund.

MAYOR'S RECOMMENDED BUDGET

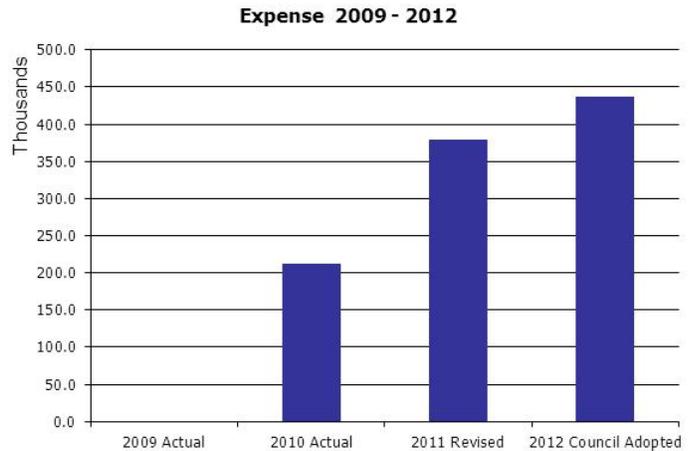
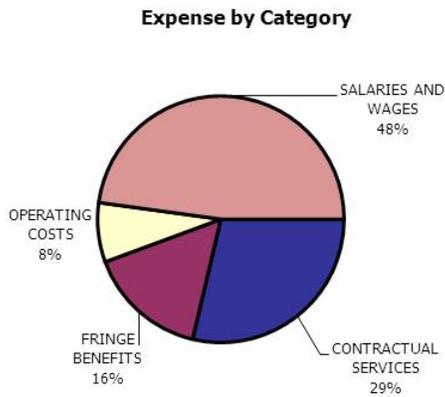
The Mayor recommended a reduction of 1 position.

COUNCIL ADOPTED BUDGET

The Council amended the Mayor's Recommended Budget by moving \$60,000 on a one-time basis from Employee Computing Mobility Program (BIS) to Internal Audit and restored 1 position in the Internal Audit Department to be hired mid-year for a total addition of 0.5 FTE for 2012.

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

EXPENSE	2009 Actual	2010 Actual	2011 Revised	2012 Council Adopted	Percent Change	Change
GENERAL						
CONTRACTUAL SERVICES		85,016	43,660	125,542	187.5%	81,882
FRINGE BENEFITS		24,176	85,206	68,632	-19.5%	(16,574)
OPERATING COSTS		11,415	10,267	34,093	232.1%	23,826
SALARIES AND WAGES		91,824	240,636	209,292	-13.0%	(31,344)
TOTAL GENERAL		212,431	379,769	437,559	15.2%	57,790
TOTAL EXPENSE		212,431	379,769	437,559	15.2%	57,790



INTERNAL AUDIT Staffing Information

Division	2009 Budget	2010 Budget	2011 Budget	2012 Budget	% Change	Change
Internal Audit		2.00	3.00	2.50	-16.7%	(0.50)
TOTAL		2.00	3.00	2.50	-16.7%	(0.50)

Positions 2009-2012

