

Minneapolis Audit Committee Minutes

May 24, 2016

A regular meeting of the committee was convened at 9:42 a.m. on this date in Room 317, City Hall, a quorum being present.

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

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

Prior to call to order, outgoing statements were heard from Mark Oyaas.

1. Adopt Agenda.

On motion by Palmisano, carried on voice vote, the agenda was adopted, as amended to move items 5, 6 and 7 to follow item 2.

2. Accept Minutes of the regular meeting of Jan. 26, 2016.

Staff Reports: [Draft Audit Minutes Jan. 26, 2016](#)

On motion by Palmisano, carried on voice vote, the minutes were accepted.

Abstained: Fisher

3. Employee Separation Internal Audit Report

1. Receiving the Employee Separation Internal Audit Report.
2. Directing staff to publish the report.
3. Referring the report to the City Council.

[Audit Committee Action Taken Jan. 26, 2016: Staff directed to analyze the enterprise practices for employees that terminate employment with the City (i.e., what policies can be put in place given best practices research and process flow analysis; what are recommendations on methods to drive accountability), and to report back on this 2016 Work Plan update at next Audit Committee meeting.]

Reports: [Employee Separation IA RCA](#); [Employee Separation IA Report](#)

Staff presentation by Will Tetsell, Internal Auditor.

On motion by Neal, carried by voice vote, the matter was received and filed with direction to staff to publish the report, and referred to the City Council.

4. Performance evaluation of Internal Auditor summary conclusions report

Receiving a summary of the Audit Committee's conclusions regarding the performance evaluation of the Internal Auditor during the Closed Session held Jan. 26, 2016.

Staff Reports: [IA Performance Evaluation Summary RCA](#)

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

5. Introduction of new Audit Committee Member David Fisher

Receiving remarks of David Fisher, appointee of Mayor Hodges to the Audit Committee.

Staff Reports: [David Fisher Appointment Letter](#)

Introduction by Chair Palmisano of David Fisher, who provided a background of his previous work in the City of Minneapolis.

6. Audit Committee Vice Chair

Approving Chair Palmisano's nomination of Scott Neal to serve as Vice Chair of the Audit Committee for the remainder of his term of office.

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

7. Internal Audit Charter

Adopting an Audit Charter for the Internal Audit Department, which states the purpose, authority, and responsibility of the Internal Audit Department's activities.

Staff Reports: [IA Charter RCA](#); [IA Charter](#)

Staff presentation by Will Tetsell, Internal Auditor.

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

8. Neighborhood & Community Relations (NCR) Neighborhood Programming and Support Internal Audit Report

1. Receiving the NCR Neighborhood Programming and Support Internal Audit report
2. Directing staff to publish the report.
3. Referring the report to the City Council.

Staff Reports: [NCR Programming and Support IA RCA](#); [NCR Programming and Support IA Report](#)

Staff presentation by Will Tetsell, Internal Auditor.

The Chair afforded the courtesy of the floor to David Rubedor, Director of the Department of Neighborhood and Community Relations.

On motion by Neal, carried by voice vote, the matter was received and filed with direction to staff to publish the report, and referred to the City Council.

9. Transportation Management Organization (TMO) Internal Audit Report

1. Receiving the TMO Internal Audit report
2. Directing staff to publish the report.
3. Referring the report to the City Council.
4. Referring to the Mayor the recommendation that the 2017 budget incorporates funding for the Internal Audit department to include ongoing means to investigate emergent fraud, waste, and abuse concerns across the City enterprise, including requests from City departments and/or risk assessments of organizations that the City does business with.

Staff Reports: [TMO IA RCA](#); [TMO IA Report](#)

Staff presentation by Will Tetsell, Internal Auditor.

On motion by Neal, carried by voice vote, the matter was received and filed with direction to staff to publish the report, and referred to the City Council.

On motion by Fisher, carried by voice vote, staff was directed to provide the TMO Internal Audit Report to the Metropolitan Council.

On motion by Palmisano, carried by voice vote, staff was directed to refer to the Mayor the Audit Committee's recommendation that the 2017 budget incorporates funding for the Internal Audit Department to include ongoing means to investigate emergent fraud, waste, and abuse concerns across the City enterprise, including requests from City departments and/or risk assessments of organizations that the City does business with.

10. Body camera operating protocol

Directing the Internal Audit Department to include the body-worn camera project's deployment, operation, and related policies into a future Audit work plan.

Staff Reports: None

On motion by Palmisano, carried by voice vote, the Internal Audit Department, in coordination with the Mayor's Office, City Attorney's Office and the Minneapolis Police Department, was directed to include the body-worn camera program into the 2017 Audit work plan, including but not limited to:

1. Adherence to Standard Operating Procedures in light of concerns communicated by the Police Conduct Oversight Commission and the Minneapolis community.
2. Sampling of camera footage to examine adherence to Standard Operating Protocol.
3. Appropriate classification of data.
4. Appropriate access to data.
5. Develop a program to assess risk on the controls on an ongoing annual basis for adherence to adopted policy, and other auxiliary components at Internal Audit's discretion.

Abstained: Fisher

11. Internal Auditor Updates:

Receiving and filing report.

Staff Reports: [IA Update RCA](#); [IA Update PowerPoint](#)

Staff presentation by Will Tetsell, Internal Auditor.

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

Announcements

1. TMO update to be received at the next Audit Committee meeting

With no further business to transact, the meeting adjourned at 11:42 a.m.

Reported by Irene Kasper, Committee Coordinator