

INTERNAL AUDIT

MISSION

Internal Audit 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:

a) The internal auditor shall:

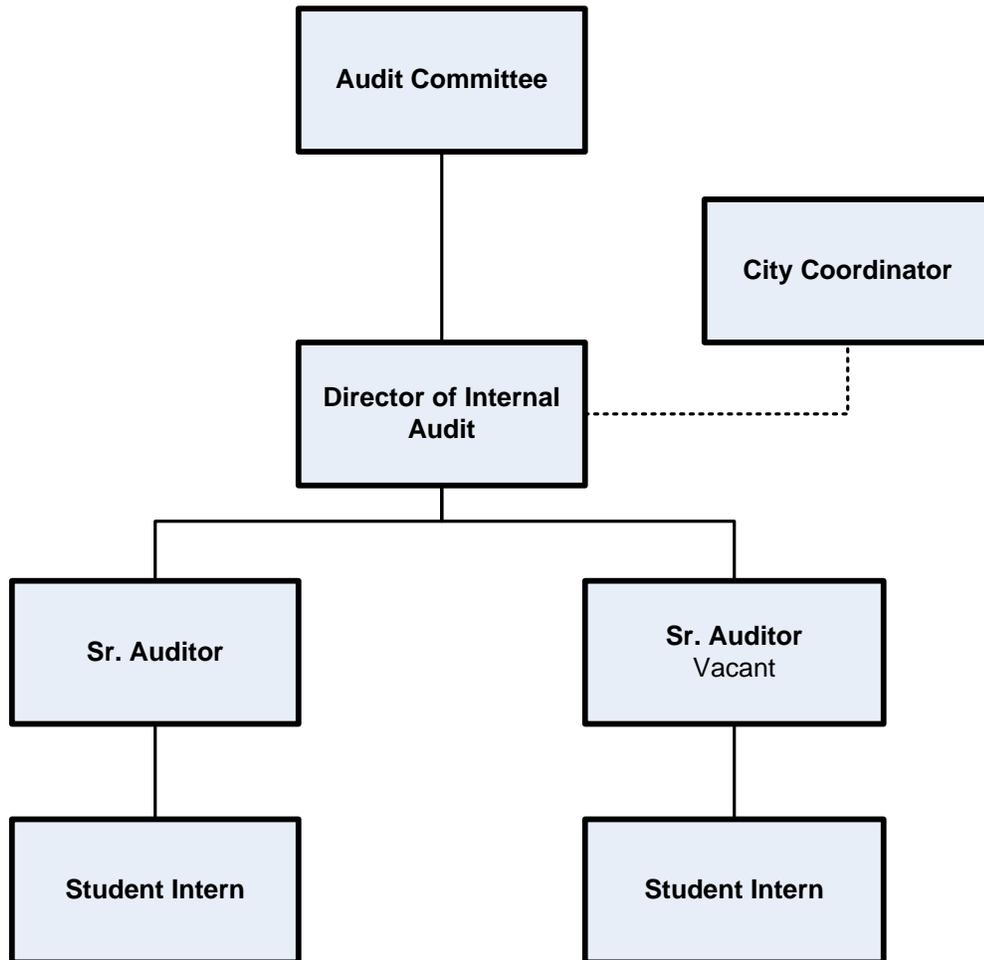
- 1) Establish guidelines, policies, and procedures for the conduct of periodic internal audits.
- 2) Develop an annual audit plan to be submitted to the Audit Committee for approval.
- 3) Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of City funds, 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 statues related to expenditures and financial controls.
 - c) The 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.

b) 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



A City that Works

Internal Audit

General Fund: \$592,261

This program provides independent, objective, timely and reliable information to City Departments, Residents and Policy Makers regarding risk management and opportunities to improve the City's ability to efficiently and effectively meet its objectives. The Internal Audit department is in a unique position to help functions within the City evaluate high-risk activities or programs and provide insights into opportunities to improve processes or controls to align with an appropriate and reasonable level of risk management. The outcome of this program will enable the City manage financial, operational, technological, reputational and regulatory risks in

the achievement of its goals while exemplifying its values. Services provided under this program include audits, consultations, performance audits and Ad Hoc Projects.

Financial Analysis

Expenditure

The total Internal Audit Department's budget increases from \$0.5 million to \$0.6 million from 2015 to 2016. This is an increase of \$85,000 or 16.8% primarily due to routine increases in operational costs and mayor recommended budget enhancement of \$75,000 in ongoing General Fund resources.

Revenue

This Department does not produce revenue.

Fund Allocation

This department is funded completely in the General Fund.

Mayor's Recommended Budget

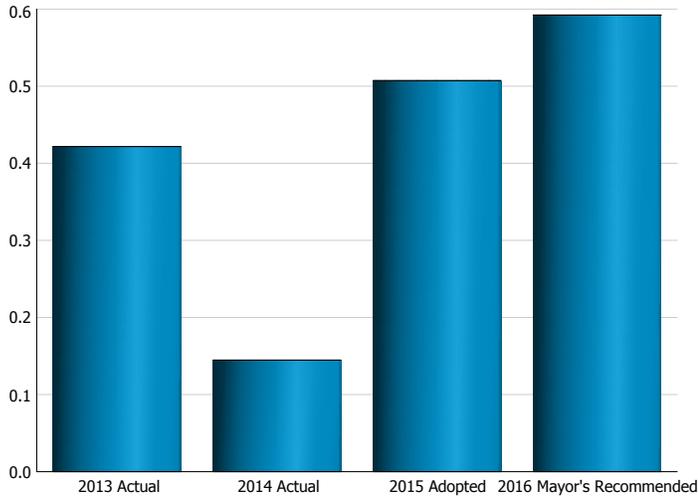
The Mayor recommended \$75,000 ongoing General Fund resources to allow the department to contract for professional IT audit services.

**INTERNAL AUDIT
EXPENSE AND REVENUE INFORMATION**

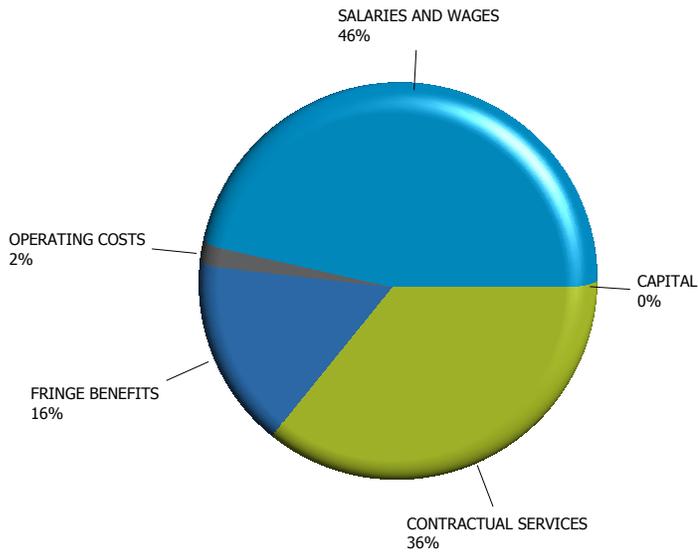
EXPENSE	2013 Actual	2014 Actual	2015 Adopted	2016 Mayor's Recommended	Percent Change	Change
GENERAL						
SALARIES AND WAGES	173,806	55,258	262,126	274,994	4.9%	12,868
FRINGE BENEFITS	49,484	15,034	100,774	94,698	-6.0%	(6,076)
CONTRACTUAL SERVICES	166,376	67,246	133,905	212,138	58.4%	78,233
OPERATING COSTS	32,088	7,128	10,431	10,431	0.0%	0
CAPITAL						0
TOTAL GENERAL	421,754	144,666	507,236	592,261	16.8%	85,025
TOTAL EXPENSE	421,754	144,666	507,236	592,261	16.8%	85,025

INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

Expense 2013 - 2016
In Millions



Expense by Category



INTERNAL AUDIT

Staffing Information

Division	2013 Budget	2014 Budget	2015 Budget	2016 Mayor's Recommended	% Change	Change
Internal Audit	2.00	3.00	3.00	3.00	0.0%	0
Overall	2.00	3.00	3.00	3.00	0.00	0

Positions 2013-2016

