

Date: March 29, 2011

A status report on audit activities as of March 25, 2011.

Milestone Dates:

- December 18, 2009: The Audit Committee is created by the Minneapolis City Council as provided under the provisions of Minneapolis Code of Ordinances, Title 2, Chapter 17.
- January 4, 2010: The President of City Council appoints Third Ward Council Member Diane Hofstede as Chair of the Audit Committee.
- January 7, 2010: Twelfth Ward Council Member Sandy Colvin Roy and Thirteenth Ward Council Member Betsy Hodges (*ex officio* as Chair of the Ways & Means/Budget Committee) were appointed as members of the Audit Committee.
- April 13, 2010: The Audit Committee is convened for its first meeting, with Council Members Diane Hofstede (chair); Betsy Hodges; Sandy Colvin-Roy; and Mark Oyaas representing the Minneapolis Park & Recreation Board.
- April 16, 2010: Stephanie Woodruff is appointed as the Mayor's appointment to the Audit Committee and Darrell Ellsworth is appointed as the City Council's appointment to the Audit Committee.
- June 29, 2010: Magdy Mossaad is hired as the Internal Auditor to direct the new Internal Audit Department; initial work focused on organizing the department and undertaking an enterprise-wide risk assessment process.
- July 20, 2010: Citizens members Stephanie Woodruff and Darrell Ellsworth join the Audit Committee.
- August 12, 2010: Orientation conducted for the Audit Committee.
- September 21, 2010: The Audit Committee approved recommendations to change its organizational structure to become an independent committee within the structure of Minneapolis City Government.
- September 24, 2010: The City Council authorized a revised organizational structure for the Audit Committee, reflecting its independent status within the organization of Minneapolis City Government and directed that the City's table of organization be updated accordingly.
- October 19, 2010: The Audit Committee adopts procedural rules to govern its proceedings.
- October 19, 2010: An Audit Working Group was formed to organize and define the Audit Committee's reporting needs from the Internal Auditor.
- October 25, 2010: Jake Claeys joins the audit team as its first Senior Auditor.
- November 1, 2010: Ginger Bigbie joins the audit team as its second Senior Auditor.
- November 16, 2010: The Audit Committee approved the three-year Audit Plan.
- January 3, 2011: The first planned audit starts.
- February 22, 2011: First audit memo/report issued by the Internal Audit Department.

The Internal Audit Team:

1. Introduced the Internal Audit function to City leaders and management.
2. Continues to build business relationships with other audit functions and with other local government entities.
3. With KPMG, performed a City-wide risk assessment and developed a three-year audit plan – conducting more than 45 interviews with City leaders and management.
4. Recruited a temporary administrative assistant and an intern to help organize the department.
5. Developed the Internal Audit Department Policies and Procedures manual (i.e. policies, procedures, templates, etc), based upon professional guidance and government regulations.
6. Evaluated various data mining software, selected ACL, and received two days training. We used this data analysis tool in our first engagement.
7. Evaluated, selected, and assisted in the implementation of audit management software, AutoAudit. We received three-days training, and are currently using the software.
8. Implemented an Internal Audit Department internship program, and we are in the process of recruiting two interns.
9. Created an Internal Audit Department brochure (in printing phase).
10. Attended training for emerging topics in audit to increase our professional competencies and to fulfill continuing professional education (CPE) requirements. Two of IA team members attended the Network Information Security & Technology (NIST) Information Security Framework Briefing Event, hosted by Unisys.
11. IA was invited and will continue to attend the IS Business Advisory Group, and Permanent Review Committee (PRC) regular meetings.
12. Completed approximately 25% of the 2011 Audit Plan and provided minor consulting services to various City departments, including HR process to audit employee files, water billing accounts receivable interface planning (in progress), and Convention Center lottery kiosks – control over cash (in progress).