

**DRAFT MINUTES
SPECIAL MEETING
AUDIT COMMITTEE**

APRIL 26, 2011

Committee Members Present: Council Members Diane Hofstede, Betsy Hodges, Sandy Colvin Roy; Minneapolis Park & Recreation Board Representative Mark Oyaas; Citizen Member Stephanie Woodruff (Quorum 4)
Committee Members Absent: Citizen Member Darrell Ellsworth

Chair Hofstede called the meeting to order at 1:03 p.m. in Room 317, City Hall, a quorum being present.

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1. Minneapolis Police Department: a) Review Internal Audit Report on Minneapolis Police Department – Scheduling & Time Reporting; b) Direct staff to publish the report.

Magdy Mossaad, Internal Auditor, highlighted the scope, objective, summary key findings and management action plans and conclusion of the report, as set forth in the letter submitted to the police chief attached to the audit report.

Committee members requested more information on: how a responsible party was identified for each of the management plans; the idea of the impact in terms of the actual total payroll for 2010 and out of that what percentage of that was actually the over time, dollar wise, i.e., what percentage of police overtime represents the total payroll and of that, what percentage was approved ahead of time; supervisory reports in terms of monitoring payroll; timeliness of payroll approval; the policy maker's involvement in how the labor agreement recommendation would be accomplished; who had WFD access and the need to add more detail to that section.

Kevin Carpenter, MPD/Director of Financial Operations, and LeaAnn Stagg, Interim Controller, responded to inquiries as to the overtime data, payroll staff and the intention to develop a tiered reporting system.

Regarding process, Susan Trammell, Assistant City Attorney/Ethics Officer, cited paragraph five from Audit Committee Rule Eight which reads as follows: "For those matters arising from or which are connected to the jurisdiction and responsibilities of the Audit Committee, but which would necessitate formal action by the City Council, the Committee may by motion direct its Chair to introduce policy issues for consideration by City Council. The Chair shall act at the next regular meeting of the City Council." By direction of the committee, staff would be directed to publish the report with the included changes as discussed at this

meeting. It is not a "revised" report.

In accordance with the Audit Committee Rules, Hodges moved to refer number seven entitled "Labor Agreement" to the City Council with a recommendation that the City Council refer number seven to the Executive Committee.

Adopted upon a voice vote.

Absent - Ellsworth.

Hofstede moved that staff be directed to publish the audit report.

Adopted upon a voice vote.

Absent - Ellsworth.

2. Proposal for Audit Committee Training Workshop: Review vision for Audit Committee functions, audit report process and expectations.

Hofstede explained the need for a training workshop given the change of the committee structure, adopted rules for the committee as well as provide an opportunity to fully flush out necessary details in relation to the production of the internal audit reports.

Hofstede moved the recommendation for an Audit Committee training workshop.

Adopted upon a voice vote.

Absent - Ellsworth

The meeting adjourned at 2:02 p.m.

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