

**MINUTES
REGULAR MEETING**

**AUDIT COMMITTEE
OCTOBER 19, 2010**

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

Chair Hofstede called the meeting to order at 9:33 a.m. in Room 317, City Hall, a quorum being present.

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1. Audit Committee Rules: Approve Rules of the Audit Committee as recommended by the Audit Sub-Committee relating to the restructure of the Audit Committee as an independent committee.

Susan Trammell, Assistant City Attorney/City's Ethics Officer, reviewed the proposed rules as introduced at the last meeting. Once the committee approves the rules, there need be no further approvals.

Colvin Roy moved to amend *Rule 7-Debate* by deleting the second sentence of the paragraph, which reads as follows: "However, to facilitate meaningful debate and to expedite the timely conduct of business, members shall refrain from extraneous or repetitive dialogue and the Chair shall be empowered to signal to any member so that he or she may bring his or her comments to a conclusion and the Committee may proceed to its business."

Lost upon a voice vote.

Hofstede moved approval of the rules, as submitted.

Adopted upon a voice vote.

2. 2011 Audit Committee Meetings: Review 2011 calendar.

Trammell reported the proposal was to meet in January, February and March of 2011, which dates Chair Hofstede would select and forward. Thereafter a proposal regarding the months in which to meet for the last three quarters of the year will be brought forward.

There was no action taken.

3. Audit Assessment & Internal Audit Plan for 2011.

4. Update on audit activities.

Magdy Mossaad, Internal Auditor, reviewed Items #3 and #4, as set forth in the update submitted. The internal audit plan will be ready for the November meeting.

There was committee discussion on the topic of creating a subgroup to define Audit Committee reporting needs in the short term and in the longer term; defining what standard reporting the Audit Committee should receive; what the budget looks like; how the audit plan is progressing; remediation activities within the City; the potential make up of a subgroup, what the subgroup would be charged with and their timeline.

Ellsworth, Colvin Roy and Woodruff expressed their willingness to serve on the working group.

Trammell explained the difference between a subcommittee and a work group. Creation of a subcommittee implies they will have powers to take action. A work group will work behind the scenes and provide information to the Audit Committee in a public forum. If a quorum of the Audit Committee would exist in this working group, regardless of it being called a working group, there would need to be proper notice and the meeting opened to the public, therefore becoming another Audit Committee meeting versus a working group.

Ellsworth moved that an Audit Committee working group be formed which focus would be on defining Audit Committee reporting needs from the Internal Auditor to drive consistency, accountability and updates that are transparent to the committee and others as appropriate.

Adopted upon a voice vote.

Hodges moved to adjourn at 9:59 a.m.

Adopted upon a voice vote.

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