

INTERNAL AUDIT

MISSION

Internal Audit assists the City of Minneapolis achieve its objectives. It 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

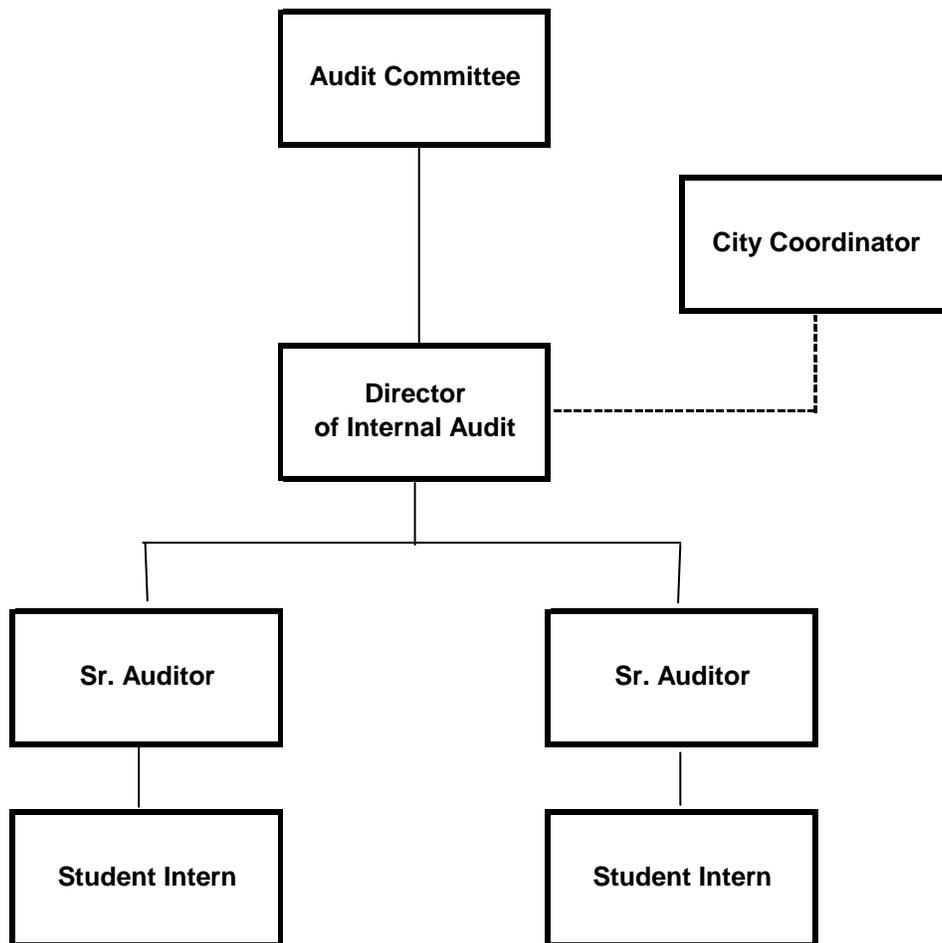
Powers and duties of the Internal Auditor

- 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 statutes related to expenditures and financial controls.
 - c) That 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



DEPARTMENTAL PROGRAMS BY GOAL AREA AND FUNDING

A City that Works

Internal Audit
Internal Audit

General Fund: \$499,559

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve City of Minneapolis (the City) operations. We help the City accomplish its goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Our responsibilities include: 1) financial reviews, 2) operational reviews (related to department operations), 3) compliance reviews (related to federal, State and local rules and regulations), 4) information technology (IT) reviews (related to system access, general controls, networks, databases and interfaces), 5) consulting and training services for internal controls enhancements, and 6) fraud investigations.

To perform our role effectively, Internal Audit is organizationally independent from management to enable unrestricted evaluation of organizational activities.

Measure: Resident satisfaction rating of City services

FINANCIAL ANALYSIS

EXPENDITURE

The Internal Audit Department's General Fund allocation increases by \$116,790 to \$499,559, or 30.5% in the Mayor's 2012 Recommended Budget, primarily due to increases in the allocation models not included in the department's budget in 2011, including rent, liability, and most significantly, an increase of \$57,000 for BIS. The budget also includes \$100,000 for contracted internal audit services.

REVENUE

This department does not produce revenue.

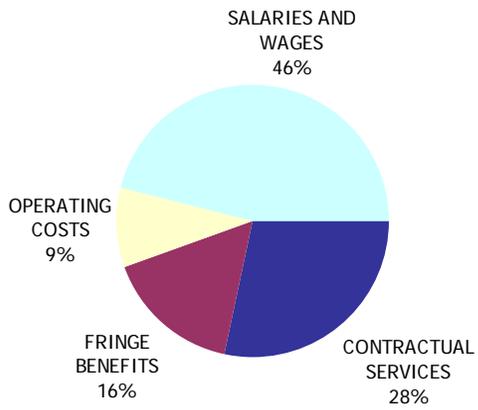
MAYOR'S RECOMMENDED BUDGET

The Mayor's Recommended Budget for this department adds funding provided to complete the network penetration audit and for increased BIS charges to the department.

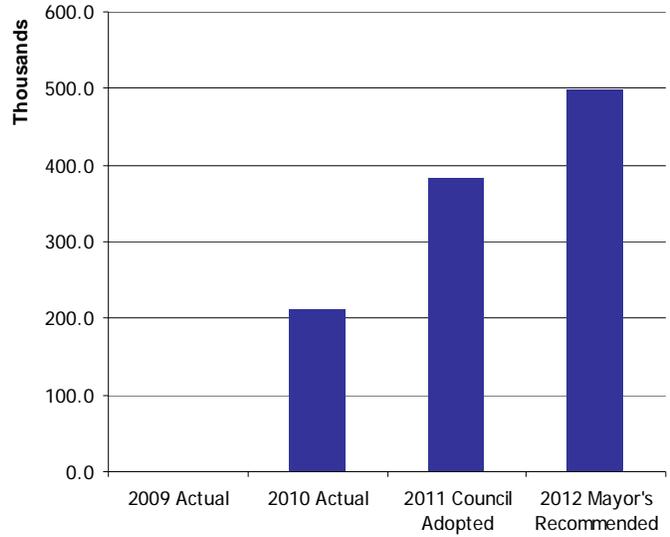
INTERNAL AUDIT EXPENSE AND REVENUE INFORMATION

EXPENSE	2009 Actual	2010 Actual	2011 Council Adopted	2012 Mayor's Recommended	Percent Change	Change
GENERAL						
SALARIES AND WAGES		91,824	240,636	263,415	9.5%	22,779
FRINGE BENEFITS		24,176	88,206	99,319	12.6%	11,113
CONTRACTUAL SERVICES		85,016	43,660	126,825	190.5%	83,165
OPERATING COSTS		11,415	10,267	10,000	-2.6%	(267)
TOTAL GENERAL		212,431	382,769	499,559	30.5%	116,790
TOTAL EXPENSE		212,431	382,769	499,559	30.5%	116,790

Expense by Category



Expense 2009 - 2012



**INTERNAL AUDIT
Staffing Information**

Division	2009 Budget	2010 Budget	2011 Budget	2012 Mayor's Recommended	% Change	Change
Internal Audit		2.00	3.00	3.00	0.0%	
TOTAL		2.00	3.00	3.00	0.0%	

Positions 2009-2012

