

**COMPASS INDEPENDENT AUDIT
QUARTERLY REPORT TO THE CITY COUNCIL
FOR THE QUARTER ENDING JUNE 30, 2013**

Legal Requirement

Rapid City Municipal Code 2.95.030 (H) requires the Chief Auditor to submit, through the Audit Committee, quarterly reports to the City Council concerning the status of all pending audits and projects and the status or progress of any implementation recommendations.

Current Status

As of June 30, 2013, one audit had been completed during the second quarter of 2013 and two audits were in progress.

City Charge Account Audit

The audit of the city charge account program has been completed. We made four recommendations for improving controls over and the operations of the City Charge Account Program. Three recommendations were provided to the Finance Office and one to the Community Resources Department. The auditors provided a draft audit report to the mayor, Finance Officer and Director of the Community Resources Department. We have received and reviewed the response from City management which accepted all four recommendations. The final audit report was approved at the August 19, 2013 COMPASS Committee meeting.

City Fees Audit

The City Fees Audit was in the fieldwork phase at June 30, 2013. As of the date this report is presented to the COMPASS Committee and City Council this audit is still in the fieldwork phase. We have had difficulty obtaining and verifying the financial data needed for this audit. In addition, under GAGAS we must determine the reasonableness of the information we use. Much of the information initially gathered has been insufficient for a variety of reasons. If these difficulties persist we will limit the scope of this audit to complete it in a more timely manner

Airport Contracts Audit

The current airport contracts audit is in planning phase at June 30, 2013. We are currently conducting the fieldwork for this audit. The airport has contracts with private firms to operate airport parking facilities and to provide both on-site and off-site rental car services. The purpose of this audit is to evaluate vendor and Airport Department compliance with contract provisions. We have received excellent cooperation and timely responses to requests for information from Airport Department staff.