

**COMPASS INDEPENDENT AUDIT  
QUARTERLY REPORT TO THE CITY COUNCIL  
FOR THE QUARTER ENDING SEPTEMBER 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 September 30, 2013, three audits and one audit follow-up project were in progress.

**City Fees Audit**

We are conducting fieldwork and audit testing for this audit.

The City uses fees to help fund a variety of services. The audit will try to identify when the fees were last reviewed and adjusted. We will attempt to determine if fees charged for certain services adequately cover the City's cost to provide those services. In addition, best practices for setting and reviewing fees (especially from the Government Finance Officers Association) will be identified and the City's current practices will be compared.

**Airport Contracts Audit**

The airport contracts audit was in the fieldwork phase at September 30, 2013. We have since completed the fieldwork for this audit. The draft report is being prepared and a meeting is scheduled with airport management to discuss findings and recommendations.

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 concessionaire and Airport Department compliance with contract provisions. We will also evaluate whether the compliance management process used by the airport is adequate to ensure contract compliance by concessionaires.

**City Wide Cash Handling II Audit**

The City Wide Cash Handling II audit fieldwork is complete and the draft audit report was sent to the Mayor, the Finance Officer, the Library Director, the Director of Parks and Recreation and the Director of Public Works for review and responses.

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This audit will complete the work we started last fall to evaluate internal and management controls at all locations in the City where cash is received. We conducted this audit work at the outdoor aquatic and tennis facilities in the Recreation Division, at sites in the Water and Water Reclamation Divisions of the Public Works Department and at the library branches at General Beadle Elementary School and Western Dakota Technical Institute.

**City Wide Cash Handling Audit Follow Up**

We have received responses from 7 of 10 departments to date with information on the status of their implementation for audit recommendations from the City-Wide Cash Handling Audit. These responses are being evaluated. We will issue a report on the status of the implementation of these recommendations as soon as possible.