



**AGENDA
AUDIT COMMITTEE
GLENDALE CITY HALL
HR TRAINING ROOM
5850 W. GLENDALE,
ARIZONA 85301
June 3, 2021
2:00 P.M.**

Vice Mayor Ian Hugh, Member
Councilmember Raymond Malnar, Member
Councilmember Lauren Tolmachoff, Member
Irene Avalos, Member
Rusty Simmons, Member
City Manager Kevin Phelps, Ex-officio Non-voting Member
Budget and Finance Director Lisette Camacho, Ex-officio Non-voting Member

1. CALL TO ORDER

The Chair, Vice Mayor and Councilmember Hugh, called the meeting to order at 2:05 p.m.

2. ROLL CALL

Present: Vice Mayor and Councilmember Ian Hugh, Member
Councilmember Raymond Malnar, Member
Councilmember Lauren Tolmachoff, Member
Irene Avalos, Member
City Manager Kevin Phelps, Ex-officio Non-voting Member
Budget and Finance Director, Lisette Camacho, Ex-officio Non-voting Member

Absent: Rusty Simmons, Member

Also present: Khala Stanfield, Department of Organizational Performance Director
Mike Kingery, Independent Internal Audit Program Manager
Vicki Rios, Assistant City Manager
James Gruber, Chief Deputy City Attorney
Feroz Merchhiya, Chief Information Officer
Arlene Chemello, Deputy Chief Information Officer
Christian Polintan, Administrator – Information Technology
Terry Garrison, Fire Chief
Gary Benson, Assistant Fire Chief
Cory Johnson, Acting Fire Captain
Lis Cortes, Supervisor – Fire Administration
Mark Steranka, Partner In Charge, Moss Adams (Guest)
Halie Garcia, Consulting Senior Manager, Moss Adams (Guest)
Chris Wetzell, Senior Manager, Moss Adams (Guest)

3. CITIZEN COMMENTS

No members of the public were present. No comments.

4. APPROVAL OF THE MINUTES

Councilmember Malnar motioned to approve the Audit Committee Minutes of the March 4, 2021 meeting as written. Chairman Hugh made the second. Motion carried unanimously.

5. MOTION TO CALL FOR AND ENTER INTO EXECUTIVE SESSION

Councilmember Malnar motioned to enter into Executive Session at 2:06 p.m. Ms. Avalos made the second. Motion carried unanimously.

6. EXECUTIVE SESSION

Review and discuss draft audit reports pursuant to Glendale City Code §2-54b and §2-58c (A.R.S. §38-431.03 (A)(2)). Session was held.

7. MOTION TO ADJOURN EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION

Councilmember Tolmachoff motioned to adjourn Executive Session and reconvene in Open Session at 2:39 p.m. Councilmember Malnar made the second and Open Session was reconvened.

8. CONSIDERATION AND POSSIBLE VOTE ON EXECUTIVE SESSION ITEMS

Chairman Hugh announced that the committee would table the Annual Payroll/Timesheets Audit until the September meeting because it was mistakenly included on the published agenda for this meeting. Chair Hugh announced that the committee would review and consider vote to approve the following three audit reports: Telestaff Business Process and Internal Control Review; Information Systems Security; and, Technology Governance Program Evaluation. Ms. Avalos motioned to approve the above three audit reports. Councilmember Malnar made the second. Motion carried unanimously.

9. FY2020-21 AUDIT PLAN

Ms. Stanfield gave a presentation on current status of the FY2020-21 Audit Plan. The first six audits are complete and have been presented to City Council as a result of prior Audit Committee meetings. The three audits approved in today's Executive Session will be presented to Council on June 22, 2021. The remaining six audits will be presented in the next Audit Committee meeting scheduled for September 2, 2021. Ms. Avalos asked if the updated Audit Plan was included in the

packet for the meeting. Ms. Stanfield said it was included, but that a separate copy would be emailed to her after this meeting adjourned. There were no further questions asked.

10. PROPOSED FY2021-22 AUDIT PLAN

Ms. Stanfield reviewed the risk assessment process and results, along with the proposed FY2021-22 audit plan. From the risk assessment, 22 potential audits were identified. Of those 22, 14 were selected for completion in FY2021-22. Out of the 14 selected, eight (Housing Management and Maintenance, Intelligent Transportation Systems, Risk Management training program evaluation, Engineering – Capital Improvement Program, Budget & Finance – Contract Compliance and Performance, IT Security, City Transit Program, and Fleet Management Program) will be assigned to the approved external vendor(s), and six (Arizona Sports and Tourism Authority Contract, Cash Management, Purchasing Cards, Payroll Process, Telecommuting Policy and Compliance, and Park Ranger Program evaluation) are assigned to the IIAP. The remaining eight potential audits from the original pool of 22 will be placed back into the risk assessment population for consideration in the FY2022-23 audit plan. Chairman Hugh asked for approval of the FY2021-22 audit plan. Councilmember Tolmachoff motioned to approve the audit plan. Ms. Avalos made the second. Motion carried unanimously.

11. PROCUREMENT OF THIRD-PARTY FIRM

Ms. Stanfield recommended that of the eight FY2021-22 audits assigned to the approved external vendor(s), the first two (Housing Management and Maintenance, Intelligent Transportation System) should be contracted with Moss Adams so that audits can begin early in the fiscal year. For the remaining six assigned to external resources, the IIAP Manager will meet with the respective departments to assess and clarify scope. Subsequently, those six audits will go to “bid” by the approved external vendors (Securance LLC, Protiviti, Inc., Moss Adams, Henry & Horne, Heinfeld Meech). Following review of the quotes/bids, the IIAP Manager will recommend assignment of each audit for consideration at the September Audit Committee meeting. There were no further questions.

12. COMMITTEE COMMENTS AND SUGGESTIONS

Ms. Avalos asked to ensure for future meetings that all documents are distributed at least one full week prior to the scheduled meeting date. There were no other comments or suggestions.

13. NEXT MEETING

The next regularly scheduled meeting of the Audit Committee will be on Thursday, September 2, 2021, at 2:00 p.m. All committee members agreed on that date/time.

14. ADJOURNMENT

Chairman Hugh adjourned the meeting at 2:52 p.m. No objection was made.

The Audit Committee meeting minutes of June 3, 2021 were submitted and approved
this _____ day of _____, 2021.

Michael Kingery
Independent Internal Audit Program Manager