

DRAFT



**MINUTES
AUDIT COMMITTEE
CITY HALL, CONFERENCE ROOM B3
5850 W. GLENDALE AVE.
GLENDALE, ARIZONA 85301
MARCH 23, 2023
2:00 P.M.**

1. CALL TO ORDER

Councilmember and Chairperson Aldama called the meeting to order at 2:03 PM.

2. ROLL CALL

Present: Jamie Aldama, Councilmember, Chairperson
Ian Hugh, Councilmember
Raymond Malnar, Councilmember
Kevin Phelps, City Manager
Levi Gibson, Budget & Finance Director

Absent: Irene Avalos, Member
Rusty Simmons, Member

Also Present: Mike Kingery, Independent Internal Audit Program Manager
James Gruber, Chief Deputy City Attorney
Vicki Rios, Assistant City Manager
Jamsheed Mehta, Assistant City Manager
Jean Moreno, Director, Community Services
Randy Huggins, Director, Development Services
Colby Brandt, Assistant Police Chief
Brad Harkleroad, Assistant Police Chief
Brent Ackzen, Assistant Director, Police
Ileana Seward, Manager, Police Support Services
Jeff Bratcher, Program Manager, Organizational Performance Office
Chelsea Ritchie, Consulting Senior Manager, Moss Adams (Guest)
Tammy Lohr, Senior Manager, Moss Adams (Guest)
Kayvon Zadeh, Consulting 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 January 18, 2023, meeting as written; Councilmember Hugh made the second. Motion carried unanimously.

AYE: Councilmember, Chairperson Jamie Aldama

Councilmember Ian Hugh

Councilmember Raymond Malnar

Other: Member Irene Avalos (ABSENT)

Member Rusty Simmons (ABSENT)

5. **MOTION TO CALL FOR AND ENTER INTO EXECUTIVE SESSION**

Councilmember Malnar motioned to call for and enter into Executive Session at 2:05 p.m. Councilmember Hugh made the second. Motion carried unanimously.

AYE: Councilmember, Chairperson Jamie Aldama

Councilmember Ian Hugh

Councilmember Raymond Malnar

Other: Member Irene Avalos (ABSENT)

Member Rusty Simmons (ABSENT)

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 Malnar motioned to adjourn Executive Session at 2:28 p.m. Councilmember Hugh made the second. Motion carried unanimously and Open Session was reconvened.

AYE: Councilmember, Chairperson Jamie Aldama

Councilmember Ian Hugh
Councilmember Raymond Malnar
Other: Member Irene Avalos (ABSENT)
Member Rusty Simmons (ABSENT)

8. CONSIDERATION/POSSIBLE VOTE ON EXECUTIVE SESSION ITEMS

Councilmember Aldama announced that the committee would review and consider vote to approve the following three audit reports: Police Property/Evidence Storage Facility, Glendale Housing Program, and City Fees. Councilmember Malnar motioned to approve the audit reports. Councilmember Hugh made the second. Motion carried unanimously.

AYE: Councilmember, Chairperson Jamie Aldama

Councilmember Ian Hugh
Councilmember Raymond Malnar
Other: Member Irene Avalos (ABSENT)
Member Rusty Simmons (ABSENT)

9. UPDATE ON COMMITTEE GOALS

Mr. Kingery reviewed the goals that were reaffirmed by the Audit Committee during the September 15, 2022 meeting. The goals are: 1) developing a work plan for implementation of an Independent Internal Audit Program (IIAP) quality assurance and improvement program in preparation for a peer review in FY24, and 2) monitoring remediation of outstanding recommendations from prior audits to ensure they are fully implemented by expected/target date. The first goal was thoroughly discussed in the last Audit Committee meeting; IIAP staff will present proposed changes to the audit charter and a draft version of IIAP policies and procedures at the June meeting. Mr. Kingery mentioned that he was recently part of a peer review team for another municipality, and would incorporate that experience and knowledge into the analysis and presentation during the June meeting.

For the second goal, Mr. Kingery included the updated spreadsheet in the meeting materials, noting that completed action plans were removed, and some new items that have reached their targeted completion date were added.

Councilmember Malnar asked if there were new due dates for the items that had yet to be completed. Mr. Kingery said that he would ask the departments for new target completion dates pending the outcome of budget proposals and approvals, as many plans are dependent upon said action. New dates would be included as appropriate in the spreadsheet for the June meeting. There was no additional discussion on this item.

10. **UPDATE ON FY23 AUDIT PLAN**

For the FY23 audit plan, Mr. Kingery noted there were four assigned to staff (Property Evidence for the Police Department, the Triennial Agreed Upon Procedures for City Courts, an Airport Compliance audit, and a Payroll analytics audit). He noted that the Property Evidence audit report was presented today.

IIAP staff noted that fieldwork for the Courts audit is nearly complete and the report for that engagement will be presented at the next meeting. He added that the Airport Compliance audit had not yet begun and will start in the fourth quarter of FY23. In addition, Mr. Kingery indicated that the Payroll audit will be deferred to FY24 as the procurement of some automated analytics is nearly complete. Once installation of selected robotics/analytics related to payroll are implemented and successfully tested, the timing of this audit will be determined.

For the contracted audits in FY23, one of our qualified vendors (Heinfeld Meech) is working with the department to finalize the report on the Field Operations Asset Management audit, which will be presented at the June Audit Committee meeting. The second audit by Heinfeld Meech is Fire Asset Management, which is just underway. Another vendor, Securance Consulting, is nearly complete with fieldwork for the Third-Party Risk audit. That report will also be presented at the June meeting.

The remaining four contracted audits are with Moss Adams. The City Fees and the Housing Program audit reports were presented today. A second audit in Community Services of the Revitalization Program will begin in the final quarter of FY23. The fourth audit is a review of the Procurement Process, which is also just underway.

Mr. Kingery added that he is close to wrapping up the city-wide risk assessment exercise. He is gathering results and meeting with each department's leadership team to discuss them. Compiled results will shape the FY24 audit plan, which will be presented at the June audit committee meeting. There were no other comments or questions.

11. **COMMITTEE COMMENTS AND SUGGESTIONS**

There were no comments, suggestions, or questions.

12. **NEXT MEETING**

The next regularly scheduled meeting of the Audit Committee will be on Wednesday, June 7, 2023, at 2:00 p.m. All committee members agreed on that date/time.

13. **ADJOURNMENT**

Councilmember Aldama asked if the staff person listed on the agenda for Special Accommodations was still accurate as they had taken a different position within the City. Mr. Kingery said he would reach out to the City Manager's Office and/or City Clerk to determine if an update is needed. With no further business, Councilmember Aldama adjourned the meeting at 2:38 p.m.

The Audit Committee meeting minutes of March 23, 2023 were submitted and approved this 7th day of June, 2023.

Mike Kingery
Independent Internal Audit Program Manager