



Minutes

City of Tempe Audit Committee

June 27, 2024

Minutes of the Tempe Audit Committee meeting held on Thursday, June 27, 2024 at 3:00 p.m.
via Microsoft Teams.

(MEMBERS) Present:

Rosa Inchausti, City Manager, Chair
Tom Duensing, Chief Deputy City Manager/CFO
Councilmember Doreen Garlid

Keely Hitt
Greg Hill
Councilmember Berdetta Hodge

(MEMBERS) Absent:

Ben Rieck

City Staff Present:

Keith Burke, Deputy City Manger
Bill Greene, City Auditor – Staff Liaison
Angela Hill, Senior Auditor
Jaki Gerald, Senior Auditor
Diana Storino, Senior Auditor
Parrish Spisz, Council Assistant

Guests Present:

Brittney Williams, HeinfeldMeech

Chair Inchausti called the meeting to order at 3:03 p.m.

Agenda Item 1 – Public Appearances

Mr. Greene stated that no members of the public were in attendance and no written comments were received via email.

Agenda Item 2 – Approval of Meeting Minutes

Chair Rosa Inchausti called on committee members to review the minutes from the April 2, 2024 committee meeting. There were no revisions proposed.

Motion to Approve Minutes: Councilmember Doreen Garlid

Motion Seconded: Tom Duensing

Vote: Unanimous

Agenda Item 3 – External Auditor Update

Tom Duensing introduced Brittney Williams, Partner, HeinfeldMeech. Ms. Williams presented information on auditing standards and highlighted plans to test higher risk programs including Coronavirus State and Local Fiscal Recovery Funds indicating funds need to be completely obligated to be spent by December 2024. Ms. Williams mentioned preliminary fieldwork will begin August 26th with final fieldwork scheduled for October and November 2024. Plans for final fieldwork differ this year by sending smaller teams of two targeting specific financial areas over the two-month period. Ms. Williams also discussed several of the reports to be issued this year including: Expenditure Limitation, Housing Assistance Fund, Single Audit, Impact Fees Audit and Communication to Governance.

Keely Hitt mentioned the higher risk areas included abandoned mines and wanted to know if the City of Tempe had abandoned mines. Ms. Williams stated the Abandoned Mine Land Reclamation assistance listing number (ALN) was 15.252 and does not believe that listing has even been on the Single Audit. Ms. Williams stated that the expenditure would need to be higher than \$750,000 to test.

Ms. Inchausti thanked Ms. Williams for her presentation.

Agenda Item 4 – FY 2024/25 Audit Plan

City Auditor Greene presented an overview of the proposed FY2024/25 Engagement Audit plan that was included in the agenda packet highlighting how the risk assessment evaluation process is used in development of the audit plan. Mr. Greene discussed specific projects on the plan including the Fire Inspections Program Audit noting it was a recommendation provided by senior management during the risk assessment process. Mr. Greene also discussed the Infrastructure Application Operating System Security Audit and Municipal Court CMS

Application Control Audit as the implementation of recommendations from the IT Risk Assessment previously conducted.

Greg Hill stated he was thankful Mr. Greene is following up on IT Audits.

Keely Hitt mentioned she appreciated the file for the top 50 projects provided to the committee because it provided context on how the plan was developed and stated the plan hit the mark.

Motion to Approve Audit Plan: Greg Hill

Motion Seconded: Keely Hitt

Vote: Unanimous

Agenda Item 5– Internal Audit Office Update

City Auditor Greene presented an update on the activities of the IAO including a summary of the projects on the audit plan. Mr. Greene stated 8 projects were completed from the plan which included 46 recommendations between audits and consulting engagements. Mr. Greene also provided an update on the additional professional services and contributions of the IAO including Procurement Reviews, participation in professional associations to enhance government auditing knowledge, and the implementation of ACL auditing software. Mr. Greene then discussed the IAO performance goal and in process status of current planned projects.

Greg Hill mentioned in addition to having unplanned projects the scope of an audit often changes which may require subsequent changes to the audit plan. Mr. Greene agreed and thanked Mr. Hill for his comment.

Tom Duensing asked if consideration had been given to changing the IAO performance goal because the goal is objective while modifications to the audit plan to accommodate unplanned projects is subjective. Mr. Greene agreed that there is no perfect performance measure and he has had conversations with Strategic Management and Innovation to review other options.

Keely Hitt asked if ACL will be used on any upcoming projects on the FY24/25 plan. Mr. Greene stated ACL is currently being used on the NIBRS audit and asked Jaki Gerald to provide additional insight on current utilization. Ms. Gerald stated she used ACL extensively for the NIBRS audit to reconcile the file submitted to the county and also plans to use it to recalculate overtime for the Use of Overtime Audit. Ms. Gerald also mentioned ACL will be considered for all future audits if applicable.

Ms. Inchausti thanked Mr. Greene for his presentation.

Agenda Item 6– Future Agenda Items

Chair Inchausti called for future agenda items for the next meeting. Councilmember Hodge thanked Councilmember Garlid for her service on the committee. Chair Inchausti also thanked Councilmember Garlid for her service on the committee and substantive questions.

Agenda Item 7 - Adjournment

Chair Rosa Inchausti adjourned the meeting at 3:34 p.m.

Motion to Adjourn: Tom Duensing

Motion Seconded: Councilmember Doreen Garlid

Vote: Unanimous