CITY OF SURPRISE
Audit Committee Meeting
16000 North Civic Center Plaza
Surprise, AZ 85374

Monday, August 16, 2021 – 3:30 p.m.

CALL TO ORDER

Chair Connie Bowers called the **Audit Committee Meeting** to order at 3:30 p.m. at Surprise City Hall, Overflow Room, 16000 North Civic Center Plaza Surprise, Arizona 85374, on Monday, August 16, 2021.

ROLL CALL

Connie Bowers, Chair, Councilmember Chris Judd, Councilmember Ken Remley, Seth Dyson HSCV Director, Eric Boyles, Acting Asst Director of Finance

PLEDGE OF ALLEGIANCE

CURRENT EVENTS AND REPORTS

None.

STAFF REPORTS

None.

STAFF PRESENT

Carol Holley, Internal Auditor-Sr., Michael Frazier, City Manager, Tom Abbott, Fire Chief, Breanne Lorefice, Staff Liaison, Jackie Moucheron, Staff Liaison.

CALL TO THE PUBLIC

None.

REGULAR AGENDA ITEM

1. **Action item: Consideration and action pertaining to approval of March 31, 2021, Audit Committee meeting minutes:**
   Councilmember Ken Remley moved to approve the March 31, 2021, Audit Committee Meeting minutes, and Councilmember Chris Judd seconded the motion. Motion carried 3-0.

2. **Action item: Discussion and possible action pertaining to Fire-Medical Pharmaceutical Safeguards and Contracts Audit.**

Councilmember Remley asked for clarification on where the pharmaceuticals are stored currently with Surprise Fire-Medical. Carol Holley answered that it depends on what type of pharmaceutical it is and what type of supply it is that will dictate where they are storing it.

Chair Bowers asked about the timeframe for completing a high-risk item. Carol Holley answered that it is based upon the department's work schedule and when they can get those requests completed. It is up to the department.

Councilmember Remley asked about the pricing for pharmaceuticals that are being dispensed. Carol Holley said that pricing and invoicing were not audited.

Much discussion was had on the Surprise Fire-Medical handling procedures for controlled substances, and discussion and action was postponed until Fire Chief Abbott could join.

3. **Action item: Discussion and possible action pertaining to the City-Wide Exit Process Audit.**

Chair Bowers asked about the retention timeframe, and Carol Holley clarified they should look at their schedules each month.

Councilmember Chris Judd moved to approve the City-Wide Exit Process Audit, and Councilmember Ken Remley seconded the motion. Motion carried 3-0.

4. **Action item: Discussion and possible action pertaining to Form I-9 and E-Verify Compliance Audit.**

Chair Bowers pointed out that many contractors failed and asked if that should have triggered a larger sample. Carol Holley stated that an objective was to determine whether or not the random procurement review procedures were being performed. The audit procedures confirmed that the random procurement review for E-Verify was not being performed. Additional sampling would not have changed the finding or recommendation.

Councilmember Chris Judd asked about the I-9 forms and what ID was required. Carol Holley mentioned that it is either a state ID or Passport.

Chair Bowers asked about the staff turnover, and Carol Holley said they did not go back to check staff levels. The recommendations should mitigate the risk.

Councilmember Chris Judd moved to approve the Form I-9 and E-Verify Compliance Audit, and Councilmember Ken Remley seconded the motion. Motion carried 3-0.

Action item: Discussion and possible action pertaining to Fire-Medical Pharmaceutical Safeguards and Contracts Audit.

Chair Bowers asked to return to agenda item two, Fire-Medical Pharmaceutical Safeguards and Contracts Audit discussion since Fire Chief Abbott is now present.

Chair Bowers stated that a high-risk item should take 3-6 months to fix, low risk to take a year, and moderate between 6-9 months. So if it’s a high-risk item she asked, why we wouldn’t move the date sooner, rather than taking a year to correct. Fire Chief Abbott responded that he has already revised that policy and procedure by setting up a process in place with our software records management system Operative IQ.

Councilmember Chris Judd moved to approve the Fire-Medical Pharmaceutical Safeguards and Contracts Audit, and Councilmember Ken Remley seconded the motion. Motion carried 3-0.

5. **Action item: Discussion and possible action pertaining to the FY2019-2020 and FY2020-2021 Summary and Audit Recommendations.**

   Councilmember Chris Judd moved to approve the FY2019-2020 and FY2020-2021 Summary and Audit Recommendations, and Councilmember Ken Remley seconded the motion. Motion carried 3-0.

6. **Action item: Consideration and action pertaining to FY2021-2022 Annual Audit Plan.**

   Councilmember Ken Remley asked if it would take three months to complete utility billing. Carol Holley said that the 720 hours would accommodate two auditors that will focus on collecting, recording, and reconciling billing payments.

   Seth Dyson asked if the PTO/ PSO number was accurate. Carol Holley answered yes

   Councilmember Chris Judd moved to approve the FY2020-2021 Annual Audit Plan, and Councilmember Ken Remley seconded the motion. Motion carried 3-0.

OTHER BUSINESS AND FUTURE AGENDA ITEMS

The next Audit Committee Meeting will be held on November 10, 2021 at 3:30 p.m.

EXECUTIVE SESSION

None.

ADJOURNMENT

Councilmember Chris Judd moved to adjourn. Committee Chair Bowers seconded the motion. Motion carried 3-0. The meeting was adjourned at 4:36 p.m.

ATTEST:

Connie Bowers, Chair

Jackie Moucheron, Staff Liaison

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Audit Committee Meeting of **Wednesday, January 29, 2020.**

Sherry Ann Aguilar, City Clerk, MMC