

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

Wednesday, December 7, 2022 – 3:30 p.m.

CALL TO ORDER

Vice-Chair Alan Meyer 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 Wednesday, December 7, 2022.

ROLL CALL

Brenda Kiner, Chair (Absent), Alan Meyer, Vice-Chair, Tatiana Young, Committee Member (Absent), Councilmember Chris Judd, Councilmember Patrick Duffy, Holly Osborn, Director of Parks and Recreation, Andrea Davis, Director of Finance

PLEDGE OF ALLEGIANCE

CURRENT EVENTS AND REPORTS

None.

STAFF REPORTS

None.

STAFF PRESENT

Carol Holley, City Auditor, Angela Hanson, Internal Auditor, Athena DoBell-Garcia, Internal Auditor-Sr., Erick Martin, Accounting Manager, Jackie Moucheron, Staff Liaison, Genevieve Martin Del Campo, Staff Liaison.

CALL TO THE PUBLIC

None.

REGULAR AGENDA ITEM

1. **Action item: Consideration and action pertaining to the approval of the September 7, 2022 Audit Committee meeting minutes:**

Alan Meyer moved to approve the September 7, 2022, Audit Committee Meeting minutes, and Councilmember Patrick Duffy seconded the motion. Motion carried 3-0.

2. **Action item: Discussion and possible action pertaining to the Continuous Monitoring: Citywide Procurement Cards Audit Report:**

Carol gave an overview of the Citywide Procurement Cards Audit Report.

Alan Meyer asked if using credit cards for purchases made more sense than invoices and checks. Carol Holley responded that it is a quicker process for the departments from an operational standpoint. She added that the City also receives a rebate based on the level of transactions.

Councilmember Judd asked if the city is getting a cash rebate by using credit cards. Carol Holley responded that, yes, the city is receiving an annual rebate based on the spending level of the city. Erick Martin added that there is a calculation based on what was spent, and the city receives an annual rebate.

Alan Meyer stated that some of the completion deadlines listed in the report, say November 30, 2022, and asked if the city was successful in meeting those deadlines. Erick Martin responded that the implementation of most of the findings from previous auditor reports is complete, and now it is about making sure everyone remains consistent and clearing everything through the internal auditing process.

Councilmember Judd asked if the procurement card process is still more efficient than invoices and checks, even with all of the follow-ups that have to be done. Erick Martin responded that, in some ways, yes. He added that for departments with traveling staff or departments that need to purchase something quick from a store, there are great efficiencies with procurement cards. Erick Martin stated that the number of procurement cards given out might need to be addressed in the future to cut down on follow-ups. Holly Osborn stated that having one procurement card per department becomes tricky when it comes to accountability because multiple people use the same card. She added that the efficiency of the procurement card process has been significant in her department. Andrea Davis stated that it is up to each department director to determine who gets a procurement card and who does not. She added that Finance does an annual review to go over limits and whether someone may still need a card. Andrea further explained that Finance has become stricter with those not reconciling their procurement cards by deactivating them if it has not been reconciled 30 days after it is due. She added that some of these stricter measures would increase efficiencies.

Alan Meyer moved to approve the Continuous Monitoring: Citywide Procurement Cards Audit Report, and Councilmember Judd seconded the motion. Motion carried 3-0.

3. Action item: Discussion and possible action pertaining to the Quarterly Audit Recommendations Status Report:

Carol gave an overview of the Quarterly Audit Recommendations Status Report.

Councilmember Duffy asked how long the departments are given to respond to audit recommendations. Carol Holley responded that it starts with an initial audit report, and once the department is met, they are given two weeks to provide responses, from where it can be an additional one to two months. She added that after the management audit responses, she begins tracking them in SharePoint.

Alan Meyer stated that there are two high-risk recommendations in Fire–Medical dating back to 2020 and asked at what point we come down on them to complete the recommendations. Carol Holley responded that she continues to send emails and do follow-ups with the department. She added that in some instances, departments are waiting for special projects to be completed before they can complete some audit recommendations.

Alan Meyer asked if there should be a process that the audit committee brings forth the departments that are not completing the recommendations. Carol Holley responded that the audit committee does have the power to bring in department heads to ask questions and get updates. However, if there were anything that the committee would want to be done beyond that, it is a discussion the committee will need to have on how to proceed. Councilmember Judd stated that the audit committee could recommend that City Council do something.

Alan Meyer moved to approve the Quarterly Audit Recommendations Status Report, and Councilmember Judd seconded the motion. Motion carried 3-0.

OTHER BUSINESS AND FUTURE AGENDA ITEMS

The next Audit Committee Meeting will be held on March 29, 2022, at 3:00 p.m.

EXECUTIVE SESSION

None.

ADJOURNMENT

Alan Meyer moved to adjourn, and Councilmember Judd seconded the motion. Motion carried 3-0. The meeting was adjourned at 4:05 p.m.

ATTEST:

Brenda Kiner, Vice-Chair
Alan Meyer

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, December 7, 2022.**

Sherry Ann Aguilar, City Clerk, MMC

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