



**CITY OF SURPRISE
City Audit Committee
16000 N. Civic Center Plaza
Surprise, AZ 85374**

Thursday, September 21, 2023 @ 3:30 PM
Council Overflow Room

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Current Events and Reports
- E. Staff Reports
- F. City Audit Committee Agenda

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|----|----------|--|--------------|
| 1. | Citywide | Consideration and action pertaining to approval of the June 22, 2023 meeting minutes. | City Auditor |
| 2. | Citywide | Consideration and action to elect a City of Surprise Audit Committee Chairperson and Vice-Chairperson. | City Auditor |
| 3. | Citywide | Consideration and action pertaining to the FY2022-2023 Annual City Auditor Activity Report. | City Auditor |
| 4. | Citywide | Consideration and action pertaining to the FY2023-2024 Annual Audit Plan. | City Auditor |
| 5. | Citywide | Consideration and action pertaining to the Audit Recommendations Status Report. | City Auditor |
| 6. | Citywide | Discussion pertaining to the Compliance Connection Newsletter, Issue No. 2. | City Auditor |

G. Other Business and Future Agenda Items

H. Executive Session

For information purposes: Upon a public majority vote of a quorum (“Commission”), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2));

or discussion or consultation for legal advice with the attorney or attorneys of the public body (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information

except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

Consideration and action to recess into executive session for the purpose of discussion and consideration of records exempt by Arizona law from public inspection and discussions relating to assessments of security of operations of the Fire-Medical Department pursuant to A.R.S. §38-431.03(A)(2) and (9).

I. Adjournment

KRISTI PASSARELLI, CITY CLERK

POSTED: Tuesday, September 12, 2023 @ 10:00 AM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to approval of the June 22, 2023 meeting minutes.

Motion:

I move to approve the minutes of the June 22, 2023, City Audit Committee meeting.

Background:

This item has been placed on the agenda to discuss the results of work performed as part of the FY2022-2023 Annual Audit Plan approved by the Audit Committee at the start of the fiscal year.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

Policy Compliant:

Sec. 2-304 (c) (6-8) of the Surprise Municipal Code directs the Audit Committee to: In coordination with the city auditor, review significant audit findings and monitor responses thereto; provide independent review and oversight of the internal and external auditor including any audits either performs, and evaluate internal and external audits for performance and compliance with accepted professional standards.

Financial Impact:

There is no financial impact associated with this item.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:

1. 2023-06-22 Summary draft
 2. Qrtly Audit CMTE 28Sept2023
-

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

Wednesday, June 22, 2023 – 3:30 p.m.

CALL TO ORDER

Acting Chair Alan Meyer called the **Audit Committee Meeting** to order at 3:31 p.m. at Surprise City Hall, Overflow Room, 16000 North Civic Center Plaza Surprise, Arizona 85374, on Thursday, June 22, 2023.

ROLL CALL

Alan Meyer, Acting Chair, Tatiana Young, Committee Member, Stephen Gaddis, Committee Member, Councilmember Chris Judd, Councilmember Ken Remley, Holly Osborn, Director of Parks and Recreation, Andrea Davis, Chief Financial Officer/Deputy City Manager

PLEDGE OF ALLEGIANCE

CURRENT EVENTS AND REPORTS

None.

STAFF REPORTS

None.

STAFF PRESENT

Carol Holley, City Auditor, Erick Martin, Assistant Director of Finance, Tracy Montgomery, Assistant City Manager, Genevieve Martin Del Campo, Staff Liaison.

CALL TO THE PUBLIC

None.

REGULAR AGENDA ITEM

1. Action item: Consideration and action to Elect a City of Surprise Audit Committee Chairperson and Vice-Chairperson:

Councilmember Remley moved to elect Alan Meyer as the Audit Committee Chairperson and Tatiana Young as the Vice-Chairperson, and Councilmember Judd seconded the motion. Motion carried 5-0.

2. Action item: Consideration and action pertaining to approval of the March 29, 2023 meeting minutes:

Councilmember Judd moved to approve the March 29, 2023 meeting minutes, and Alan Meyer seconded the motion. Motion carried 5-0.

3. Action item: Discussion and action pertaining to changing quarterly Audit Committee meetings from a Wednesday to a Thursday:

Carol Holley gave an overview of why the change may be necessary.

Councilmember Judd asked if it is explicitly written in the by-laws that the meeting must occur on a Wednesday. Carol responded no; the by-laws only state the meeting must be held quarterly. Councilmember Judd stated that it is a good idea to leave the specific day of the week pending if scheduling permits moving the meeting day.

No action was taken on this item.

4. Action item: Presentation, discussion, and action pertaining to the Accounts Payable Audit Report:

Carol Holley gave an overview of the Accounts Payable Audit Report.

Councilmember Remley asked if the Accounts Payable Audit Report is done on a regular basis. Carol responded no. She explained that generally, there is an audit of the transactions, not normally their policies and procedures.

Alan Meyer stated that he noticed there was an absence of evidence of receipt. He asked if prior audits of Accounts Payable have indicated the same level of missing receiving reports. Carol responded that prior audits did not look at receiving documents. Councilmember Remley stated that the report indicates that five out of the six departments do not maintain receiving documents. Erick Martin responded that the report does not necessarily mean the departments do not maintain them, only that they are not documented within Munis, the financial system. He further stated that there is documentation that the departments receive, but they are not being attached within Munis itself. He explained that the policy going forward would be to require that receiving documentation be attached in Munis, but ultimately it comes down to when Finance receives the invoice support, it has already been vetted through the department that they have received the goods, and the individual departments are approving those transactions to pay.

Councilmember Remley stated that if there are no receiving documents, there needs to be something on the invoice indicating the items were received and signed by a responsible person. Andrea Davis responded that in Munis when the person submitting the invoice clicks "approve," they are signing it. She stated that the city has an electronic workflow, so departments have no paper copies to initial or sign. She further stated that there are some cases when a paper receiving document is received with the goods, which they are then signed, scanned and submitted with the invoice. Councilmember Remley asked if there is no receiving documentation,

what is done alternatively. Andrea responded that an invoice has been approved for payment, which is someone attesting to the items being received.

Alan stated that he sees the lack of receiving documentation as a weakness that should be improved. Councilmember Judd stated that having a two-person review of the invoice and documentation makes it much more difficult for someone to manipulate the system. Andrea stated that the policy will be rewritten to include that if a receiving document was received, then it needs to be included with the invoice in Munis.

Andrea explained the mailroom receiving process and how goods are distributed to the ordering departments.

Alan Meyer moved to approve the Accounts Payable Audit Report, and Councilmember Judd seconded the motion. Motion carried 5-0.

5. Action item: Presentation, discussion, and action pertaining to the Management of Policies and Procedures Audit Report:

Carol Holley gave an overview of the Management of Policies and Procedures Audit Report.

Alan Meyer asked what recommendations there are to improve compliance of the policies and procedures. Carol Holley responded that the recommendations were to enforce the policies and procedures as they are stated and to hold employees accountable.

Tatiana Young asked if someone in the Human Resource Department keeps track of everyone's training. Tracy Montgomery responded that the training system Target Solutions keeps track, but the issue is that no one goes into the system to review who has completed it.

Andrea Davis, Carol Holley and Councilmember Judd explain how trainings are pushed out to employees and what happens if an employee does not complete them by their due date.

Councilmember Remley asked if the trainings not being completed are part of an employee's personnel file. Carol responded that it is tracked on Target Solutions but that she is unsure if it is included in their personnel file. Tracy stated that many of the issues are that some employees do not work at a desk, are out in the field, and do not check emails often.

Tatiana Young asked if mandatory trainings are not completed within the allotted time frame, are employees still able to log in to the computer. Tracy responded that the trainings are not usually associated with certifications and are more universal.

Alan Meyer moved to approve the Management of Policies and Procedures Audit Report, and Tatiana Young seconded the motion. Motion carried 5-0.

6. Action item: Presentation, discussion, and action pertaining to the Quarterly Audit Recommendation Status Report:

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

Councilmember Remley asked if there are conflicts of interest in Accounts Payable. Erick Martin responded that Finance is currently working to implement changes to identify real conflicts of interest. Councilmember Remley suggested that Finance develop a form for employees to complete where they must list actual and possible conflicts of interest.

Councilmember Judd moved to approve the Quarterly Audit Recommendations Status Report, and Alan Meyer seconded the motion. Motion carried 5-0.

7. Discussion only: Presentation and discussion pertaining to the City Auditor Department Newsletter:

Carol Holley gave an overview of the intent behind the City Auditor Department Newsletter.

Tatiana Young asked who the audience would be for the newsletter. Carol Holley responded that the employees are the targeted audience and that it would be published on the intranet.

Stephen Gaddis stated that annually may not be frequent enough due to important topics that can be listed as reminders to employees. Tatiana asked if Carol would want to publish a newsletter every quarter. Carol responded that she does not want to commit to quarterly at the moment due to being down a staff member. She further stated that she would feel more comfortable committing to publishing a newsletter semi-annually.

OTHER BUSINESS AND FUTURE AGENDA ITEMS

The next Audit Committee Meeting will be held on September 20, 2023, at 3:30 p.m.

EXECUTIVE SESSION

None.

ADJOURNMENT

Alan Meyer moved to adjourn, and Stephen Gaddis seconded the motion. Motion carried 5-0. The meeting was adjourned at 4:39 p.m.

ATTEST:

Alan Meyer, Chair

Jackie Moucheron, Staff Liaison

CERTIFICATION:

I, Kristi Passarelli, 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 **Thursday, June 22, 2023**.

Kristi Passarelli, City Clerk

DRAFT



SURPRISE
ARIZONA

AUDIT COMMITTEE

September 21, 2023

3:30 PM



INTRODUCTION OF NEW STAFF MEMBER

Melissa Moreno, Internal Auditor, Sr.

- Over 15 years of auditing experience with the Arizona Department of Education
 - Auditor → Lead Audit Manager → Chief Auditor
- Certified Internal Auditor (CIA)
- Arizona State University

ANNUAL ACTIVITY REPORT

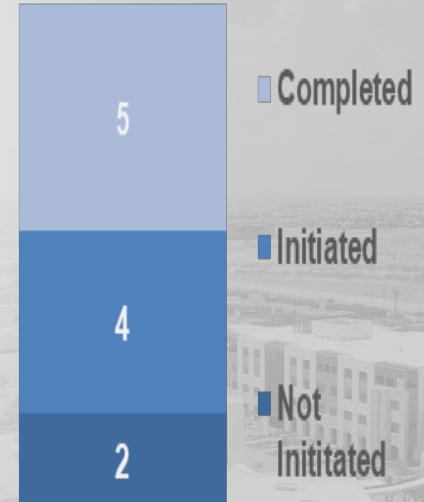
- **FY2022-2023 Annual Audit Plan**

- ✓ Completed 46% of the approved audit engagements
- ✓ Initiated and continue to work on 36% of approved audit engagements
- ✓ 18% were not initiated and were carried forward to FY2023-2024

- **Contributing Factors**

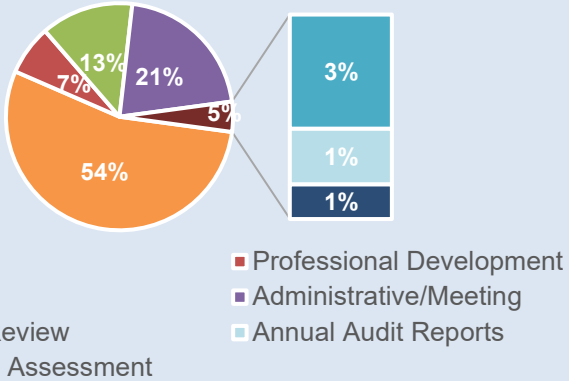
- ✓ Experienced a 22% increase in direct audit hours over budgeted hours per audit engagement
 - Underestimation of direct audit hours per audit engagement and the increase in administrative tasks by City Auditor
 - Change in quality control procedures to comply with Generally Accepted Government Auditing Standards associated with the increase in audit staff
 - Vacant position during final quarter of FY2022-2023
- ✓ Experienced an increase in indirect audit hours
 - Staff function as lead auditor vs. team member for Association of Local Government Auditors peer review
 - Staff experienced indirect administrative/training hours related to new hire

Status as of June 30, 2023

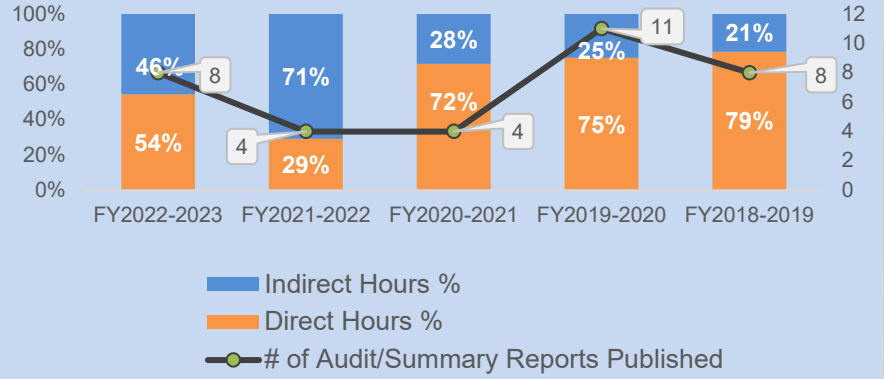


ANNUAL ACTIVITY REPORT

FY2022-2023 Use of Available Audit Hours



5-Year Trend of Direct vs. Indirect Use of Audit Hours



FY2022-2023 Highlights

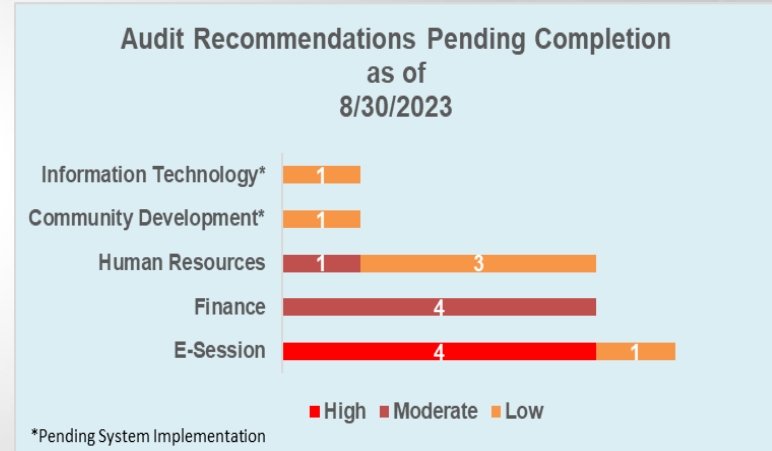
- Completed five audits & three summary reports
- Functioned as lead auditor for the City of Fort Wayne, Internal Auditor Department’s ALGA Peer Review
- Distributed First Compliance Connection Newsletter
- Contributed article to the ALGA’s Quarterly Journal

5-Year Trend Highlights

- FY2022-2023 – Temporary increase in indirect administrative hours (1,135) related to general new hire training
- Several occurrences of unplanned leave in FY2022-2023 (360 hours) and FY2021-2022 (1,480 hours)
- FY2022-2023, 73% (33 out of 45) of audit recommendations were implemented and ten are pending completion

QUARTERLY AUDIT RECOMMENDATIONS STATUS REPORT

- 33% - Related to limiting access to data
- 27% - Relate to documentation and guidelines supporting Accounts Payable transactions and Vendor Master File
- 27% - Related to managing mandatory employee training
- 13% - Related to the upgrade of the Land Information System





FY2023-2024 ANNUAL AUDIT PLAN

- Six Audit Engagements
 - Completed and issued by March 31, 2024
 - City Auditor - Three
 - Internal Auditor – Three

- One Audit Engagement
 - Initiated by April 3, 2024
 - Completed and issued by June 30, 2024
 - Internal Auditor, Sr.

- FY2023-2024
 - Direct – 59%
 - Indirect – 41%



QUARTERLY NEWSLETTER



Objective: To provide city staff with an introduction to internal auditing and helpful tips for reducing the risk to city assets.

The Power of Separation

- Major functions that one person should not perform
- Real-world municipal case of what can happen

Access to Department Data

- Information Security General Controls Policies and Procedures
- Periodic review of users' system access



EXECUTIVE SESSION

Enter into E-Session





SURPRISE
ARIZONA

**QUESTIONS OR
COMMENTS?**

Thank You



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action to elect a City of Surprise Audit Committee Chairperson and Vice-Chairperson.

Motion:

I move to elect _____ as the Chairperson. I move to elect _____ as Vice-Chairperson.

Background:

This item was placed on the agenda in compliance with Section III of the City of Surprise Audit Committee Bylaws, which requires the annual selection by a majority vote of an Audit Committee Chairperson and Vice-Chairperson.

Objective Analysis:

The Chairperson has the authority to sign correspondence as the official representative of the Audit Committee. During the absence of the Chairperson, the Vice-Chairperson shall act as the presiding officer over all Audit Committee meetings and activities.

Policy Compliant:

Sec. 2-304 of the City of Surprise Municipal Code (Code) directs the establishment of the City of Surprise Audit Committee. The Code authorizes the adoption of Audit Committee Bylaws. Section III of the Bylaws requires the Audit Committee members to nominate and vote annually to designate a Chairperson and Vice-Chairperson.

Financial Impact:

There is no financial impact associated with this item.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the FY2022-2023 Annual City Auditor Activity Report.

Motion:

I move to approve and distribute the FY2022-2023 Annual City Auditor Activity Report.

Background:

This item has been placed on the agenda to discuss the results of work performed by the City Auditor Department as part of the FY 2022-2023 Annual Audit Plan approved by the Audit Committee at the start of the fiscal year.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

Policy Compliant:

Sec. 2-304 (c) (6-8) of the Surprise Municipal Code directs the Audit Committee to: In coordination with the city auditor, review significant audit findings and monitor responses thereto; provide independent review and oversight of the internal and external auditor including any audits either performs, and evaluate internal and external audits for performance and compliance with accepted professional standards.

Financial Impact:

N/A - Informational only

Budget Impact:

N/A - Informational only

FTE Impact:

N/A - Informational only

ATTACHMENTS:

1. FY2022-2023 Annual Audit Activity
-



SURPRISE
ARIZONA

Annual City Auditor Activity Report
FY2022-2023

July 19, 2023
Carol Holley, City Auditor

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Summary of FY2022-2023 in Review

This report highlights the activities of the City Auditor Department (CAD) during FY2022-2023. For this report, direct audit hours are defined as staff time spent performing audits, managing audit recommendations, and generating the associated reports for completed audit engagements. Indirect audit hours include administrative tasks, meetings, training, paid leave, and audit reports unrelated to a specific audit engagement.

Since June 2020, CAD has experienced partial fiscal year staffing vacancies. Staffing positions were filled as confirmation of vacancies were finalized. During FY2022-2023, the CAD filled two internal auditor positions, one of which became vacant in May 2023. The recruitment process for the May 2023 vacancy was initiated in June 2023 as an open-until-filled advertisement.

The CAD worked during FY2022-2023 to allocate available audit hours toward developing the City of Surprise (City) auditing services by working on completing audit engagements approved on the FY2022-2023 Annual Audit Plan, focusing on staff professional development, and networking with external professional organizations and other small audit shops to share auditing knowledge, experience and to discuss best auditing practices and trends.

During FY2022-2023, CAD completed 46% of the approved engagements from the FY2022-2023 Annual Audit Plan; 36% of the approved audit engagements were initiated during FY2022-2023, and 18% were not initiated and carried forward. On average, CAD experienced a 22% direct audit hours increase over the budgeted hours per audit engagement. This increase was partially due to a change in CAD's quality control practices and procedures to comply with Generally Accepted Government Auditing Standards (GAGAS.) Additional time was necessary as new staff developed their understanding of City systems such as Munis and CaseWare IDEA. One staff member worked on standardizing system user access spreadsheets that have the potential of becoming standardized CAD templates. Standardized templates provide the opportunity to decrease audit hours necessary to review system user access rights and privileges.

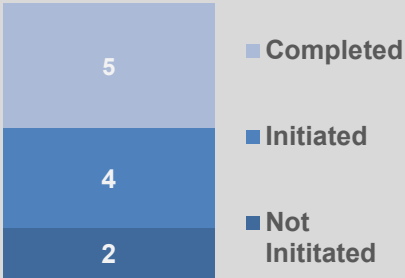
CAD staff continue to meet GAGAS professional development annual requirements and document the results in preparation for the next triannual GAGAS peer review in 2025.

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PROFESSIONAL ASSOCIATIONS and on the HORIZON	Page 6

FY2022-2023 Annual Audit Plan Status

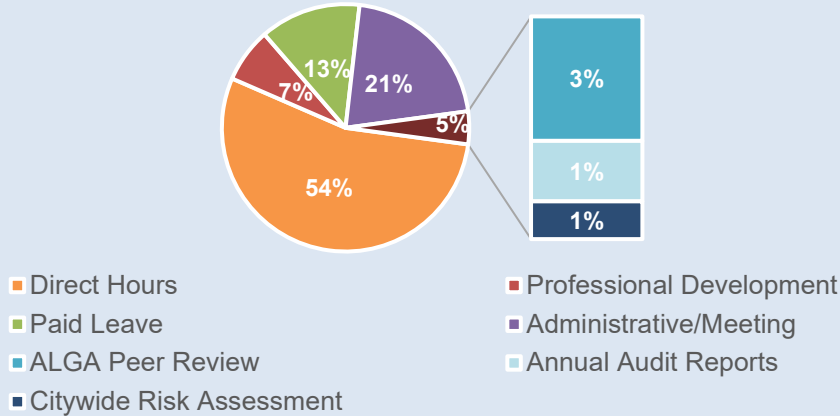
Status as of June 30, 2023



Productivity

Available Audit Hours

FY2022-2023 Use of Available Audit Hours

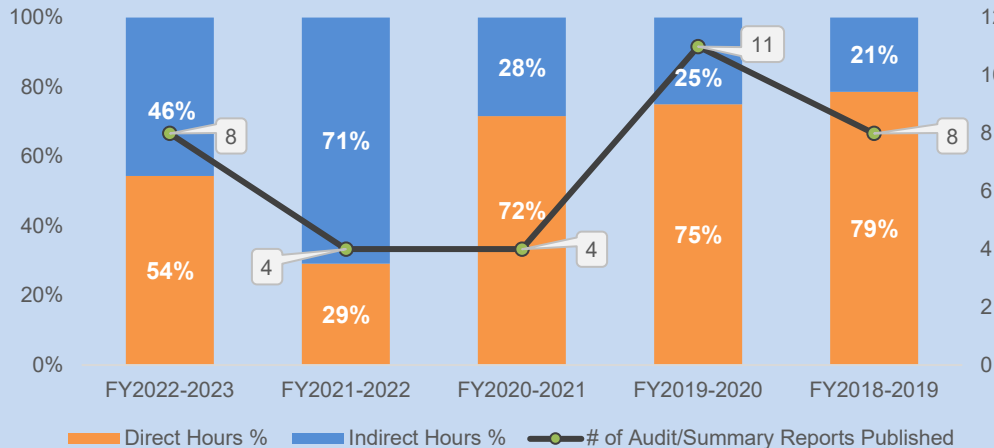


FY2022-2023 Highlights

- Completed five audit & three summary reports
- Functioned as lead auditor for the City of Fort Wayne, Internal Auditor Department's ALGA Peer Review
- Distributed the first issue of the CAD's Compliance Connection newsletter was published on the City's intranet
- Added Certified Risk Based Internal Auditor (cRBIA) to the CAD's overall list of professional designations
- Contributed article to the ALGA's Quarterly Journal

Direct vs. Indirect Audit Hours

5-Year Trend of Direct vs. Indirect Use of Audit Hours



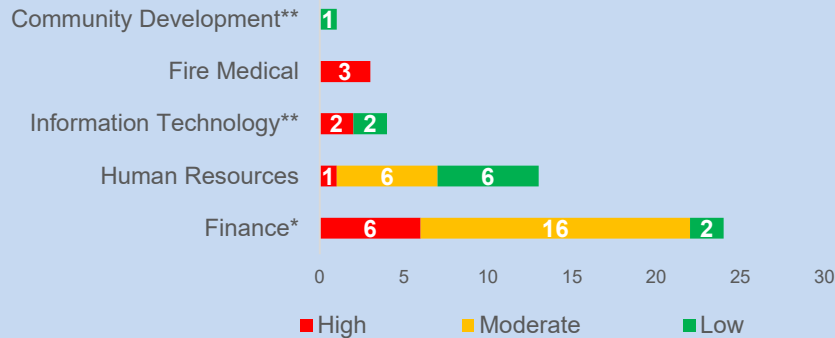
5-Year Trend Highlights

- In FY2022-2023, CAD experienced increased indirect administrative hours (1,135) related to new hire training. This was a temporary increase that occurs during the first-year staff is hired.
- CAD staff experienced several occurrences of unplanned leave in FY2022-2023 (360 hours) and FY2021-2022 (1,480 hours) that exceeded the original budgeted leave hours.
- An additional 65.5 indirect hours were required in FY2022-2023 for the ALGA Peer Review program. Staff was assigned as the lead auditor in FY2022-2023 and a team member in previous fiscal years.

FY2022-2023 Summary of Audit Recommendations

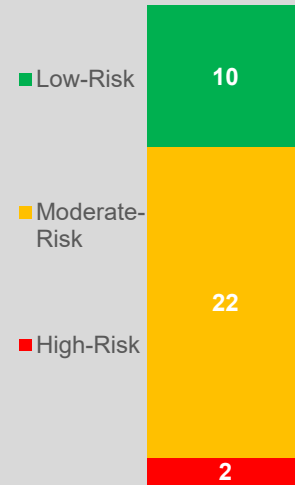
45 Recommendations Monitored

Audit Recommendations Monitored by Department



**Pending System Implementation
*Participated in Four Audits

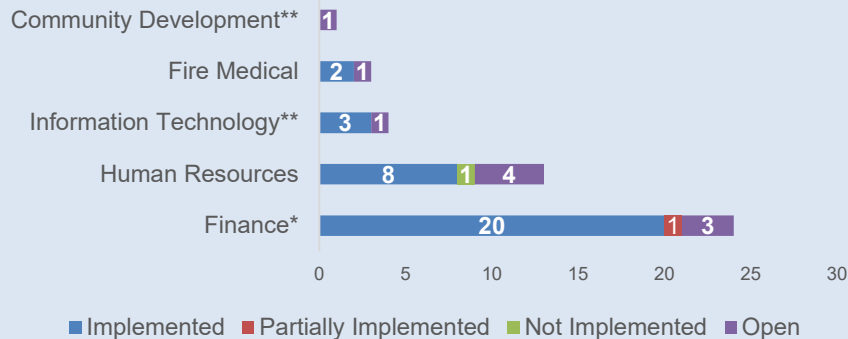
34 New Recommendations Issued



- 34 new recommendations
 - ✓ 28 (82%) concurred
 - ✓ 5 (15%) partially concurred
 - ✓ 1 (3%) nonconcurrency
- High risk related to unreconciled P-Card Accounts
 - ✓ Status – resolved
- Nonconcurrency related to annually emailing department heads requesting any policy updates - human resources believed that the employee policy manual adequately provided guidance on the matter

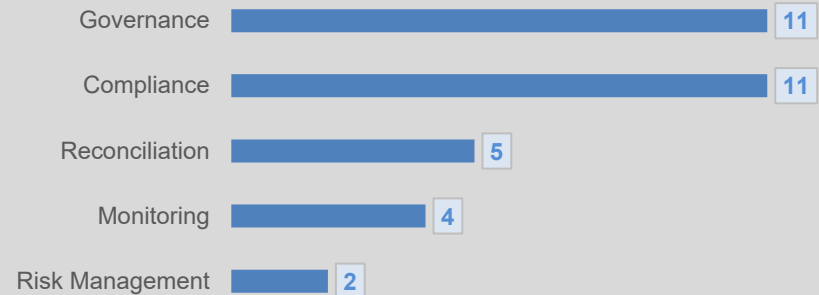
73% of 45 Recommendations Implemented

Audit Recommendations Implemented vs. Open



Impact of FY2022-2023 Recommendations

Impact by Category



*One nonconcurrency recommendation is not included in this chart
See page 5 for the definition of categories.

Professional Associations and On the Horizon

Summary of Audit Recommendation Impact Category Definitions

- **Governance –**
 - **Impact Category Definition** - Policies and procedures provide guidance for daily operational decision-making that supports management's initiatives to accomplish goals.
 - **Summary of Audit Recommendations** - CAD supported management's initiatives by identifying gaps, conflicting or confusing verbiage, and lack of documentation in policies and procedures that required updating.
- **Compliance –**
 - **Impact Category Definition** - Complying with laws, regulations, and City policies and procedures.
 - **Summary of Audit Recommendations** - Audit recommendations identified instances of noncompliance in such areas as retaining federally required Form W-9 documents for vendors, implementing City policy to detect and resolve duplicate vendor records, and following federal regulations and City policies to limit access to confidential and personally identifiable information.
- **Reconciliation –**
 - **Impact Category Definition** - Reconciliation procedures provide departments with the opportunity to identify potential discrepancies, fraud, misstatements, or errors in City records. This is accomplished by comparing two sets of records or supporting documentation to general ledger account balances.
 - **Summary of Audit Recommendations** - Auditing procedures helped to identify \$158,818 in unreconciled monthly procurement card statements.
- **Monitoring –**
 - **Impact Category Definition** - As part of the internal control system, management evaluates processes to ensure internal controls continue to operate effectively and achieve objectives.
 - **Summary of Audit Recommendations** - Audit procedures identified the need for additional management monitoring to ensure that staff completes required citywide training such as IT Security Awareness and Secondary Employment.
- **Risk Management –**
 - **Impact Category Definition** - Identifies "What could go wrong?". Applied audit procedures assessed and identified risks in such areas as duplicate vendor activity, an opportunity to consistently require receiving documentation and documented evidence that invoices were okay-to-pay, and various violations of City issued procurement cards.
 - **Summary of Audit Recommendations** - Recommendations were made to reduce identified risk to City assets.

Professional Associations and On the Horizon

Professional Associations	Status of FY2022-2023 Horizon	On the Horizon for FY2023-2024
<p>During FY2022-2023, the CAD staff continued to network with local west valley internal audit shops and professional organizations as an avenue to share auditing best practices, experience, and knowledge:</p> <ul style="list-style-type: none"> • 2022 Phoenix Security & Audit Conference <ul style="list-style-type: none"> ✓ Virtual Chat Monitors • Association of Certified Fraud Examiners - AZ <ul style="list-style-type: none"> ✓ Director of Membership • ALGA Awards Program Committee • Information Systems Auditor and Control Association • Institute of Internal Auditors (Local and National Chapters) 	<ul style="list-style-type: none"> • Updating the risk assessment process and performing a citywide risk assessment for the use of audit planning <ul style="list-style-type: none"> ✓ Update - Initiated a new template in April 2023. An ongoing process. • Networking with professional organizations and local internal audit shops to identify and share ideas related to best practices and new trends that will add value to the audit process and increase efficiencies <ul style="list-style-type: none"> ✓ Update - Participated in meetings or training with west valley auditors, IIA, ALGA, CFE, and ISACA. An ongoing process. • Developing a periodic newsletter geared toward providing City departments with helpful suggestions on internal controls and the internal auditing process <ul style="list-style-type: none"> ✓ Update - First newsletter issued in June 2023. An ongoing process. • Software update for tracking audit recommendations <ul style="list-style-type: none"> ✓ Update - Initiated SharePoint upgrades with IT Department in March 2023. New updates are scheduled for handoff to CAD on July 27, 2023. 	<ul style="list-style-type: none"> • Recruitment of vacant position – Initiated the process with the Human Resources Department on June 27, 2023. • Throughout FY2023-2024, review CAD's processes and procedures for opportunities to streamline procedures. • Continuation of citywide risk assessment procedures. • Continuation of Caseware IDEA data analysis software training to increase the efficiency of audit analytic procedures. • Issuance of a quarterly CAD newsletter.





**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the FY2023-2024 Annual Audit Plan.

Motion:

I move to approve and distribute the FY2023-2024 Annual Audit Plan.

Background:

This item has been placed on the agenda to discuss and plan how the City Auditor Department will allocate available staff hours during FY2023-2024.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

Policy Compliant:

Sec. 2-304 (c) (6-8) of the Surprise Municipal Code directs the Audit Committee to: In coordination with the city auditor, review significant audit findings and monitor responses thereto; provide independent review and oversight of the internal and external auditor including any audits either performs, and evaluate internal and external audits for performance and compliance with accepted professional standards.

Financial Impact:

This item relates to work to be completed as part of the FY2023-2024 Annual Audit Plan approved by the Audit Committee to identify opportunities to minimize operational and financial risk to City assets.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:

1. FY2023-24 Annual Audit Plan
-

**City Auditor Department
Annual Audit Plan
FY2023-2024**

Activities	Department	Objectives	Estimated Hours
Utility Billing	Finance	Evaluate controls in place for collecting, recording, and reconciling utility billing statements	400
Court Fee Waivers	City Court	Determine if fee waivers are processed in compliance with the Courts Compliance Assistance Program (CAP)	400
Non-Capital Assets	Citywide	Assess the effectiveness of citywide management of assets under \$5,000	500
Procurement	Finance	Determine whether the city's procurement process complies with city policies, procedures, municipal code, and laws and regulations	300
Fleet Repairs & Maintenance	Fleet Management	Assess the effectiveness and efficiency of vehicle maintenance & fleet operating services	500
Solid Waste Operations	Public Works Solid Waste Division	Determine whether adequate and effective controls, risk management, and governance processes are in place over critical areas of operations	600
Travel Reimbursement	Citywide	Determine whether adequate and effective controls and governance processes are in place for City travel reimbursement.	600
Contingency – Based on Available Time			
Various	Citywide	Desk review of financial trends and transactional data based on transaction type. Requests for unplanned audit services.	140
Total Estimated Direct Hrs./Estimated Direct Hrs. %			3,440 / 59%*
Administrative			
New Hire Training	City Auditor	Various auditing standards, City systems and programs, City Auditor Department policies and procedures	840
Audit Committee/City Council	City Auditor	Preparation and attendance for periodic meetings	60
Annual Audit Reports	City Auditor	Annual Audit Plan Annual Audit Activity Report Risk Assessment	190
Meetings/Misc./Westside Auditors Networking	City Auditor	Misc. Meetings/Administrative Tasks/Unplanned management requests for service/Participate in an external Peer Review as a team member	340
Professional Development	City Auditor	<ul style="list-style-type: none"> GAGAS CPEs Requirements Caseware IDEA 	380
Holidays/City Closure	City Auditor	City Holidays and Floating Personal Day	290
Paid Leave (PTO/PSO)	City Auditor	Estimated PTO/PSO	260
Total Estimated Indirect / Estimated Indirect Hrs. %			2,360 / 41%*
Estimated Total Audit Hrs.			5,800

*Rounded to net to 100%



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action pertaining to the Audit Recommendations Status Report.

Motion:

I move to approve and distribute the Audit Recommendations Status report.

Background:

This item has been placed on the agenda to discuss the results of work performed as part of the FY2022-2023 Annual Audit Plan approved by the Audit Committee at the start of the fiscal year.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

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Financial Impact:

This item relates to work performed as part of the FY2022-2023 Annual Audit Plan approved by the Audit Committee with the objective of identifying opportunities to minimize operational and financial risk to City assets.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:

1. Audit Recommendations Status Report-30Aug2023
-



SURPRISE
ARIZONA

Audit Recommendations Status Report

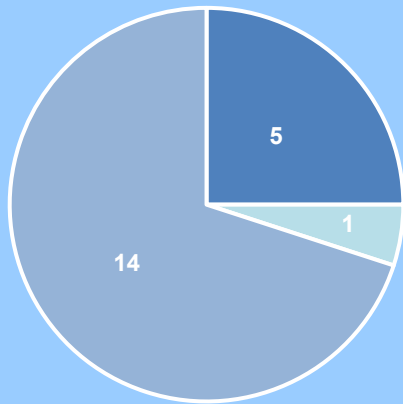
August 30, 2023

Carol Holley, City Auditor

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Methodology.....	2
Exhibit A – Audit Recommendations Detail	4

Overview of Audit Recommendations for the Period of 6/13/2023 to 8/30/2023



■ Fully Implemented
 ■ Partially Implemented
 ■ In Progress

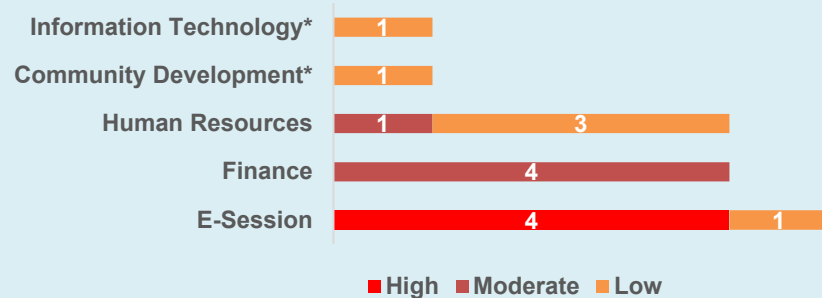
Summary

Quarterly, the City Auditor Department (CAD) reports to the City of Surprise (City) Audit Committee on actions taken by staff to address audit recommendations. This report summarizes actions taken by staff from June 13, 2023 to August 30, 2023.

During the period, 20 audit recommendations were tracked and monitored by the CAD: 25% (5 out of 20) audit recommendations were completed; 5% (1 out of 20) was partially implemented; 75% (15 out of 20) is pending completion. Forty percent (6 out of 15) of the pending completion recommendations were scheduled for completion by August 31, 2023. Status updates from departments are pending as of the date of this report. Exhibit A summarizes the 15 audit recommendations pending completion for the period.

The CAD appreciates the time and resources allocated by City departments to develop action plans to address identified risks to City assets and information.

Audit Recommendations Pending Completion as of 8/30/2023



*Pending System Implementation

Purpose and Standards

The recommendations referenced in each audit report were designed to decrease the risk to City assets and improve the efficiency and effectiveness of operations. In response to each audit recommendation, management developed an action plan to address identified risks.

The purpose of performing audit follow-up procedures is to determine the status of management action plans. *Governmental Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing* reference the need for audit follow-up procedures:

Governmental Auditing Standards:

GAGAS 8.30 – *“Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives.”*

International Standards for the Professional Practice of Internal Auditing:

2500 – Monitoring Progress

“The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.”

2500.A1 – *“The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”*

Methodology

After completing each audit, the CAD tracks observations and recommendations in SharePoint. Periodically, the CAD performs follow-up procedures on the status of audit recommendations with the appropriate City departments. Departments self-report the status of management action plans via SharePoint. Testimonial or documentary evidence is obtained and reviewed by the CAD. In some cases, the CAD will go beyond the standard process, perform more in-depth verification of the extent to which specific audit recommendations have been implemented, and issue a separate report on this work.

All recommendations reviewed were categorized as follows:

Complete – City staff partially concurred or concurred with the audit recommendation. Management action plan has been completed, and when appropriate, supporting documentation was provided to the CAD for review. **(See Exhibit A.)**

Ongoing or Partially Implemented – City staff partially concurred or concurred with the audit recommendation. Staff is currently working on implementing the audit recommendation by the management-assigned completion date. **(See Exhibit A.)**

Not Implemented – City staff concurred with audit recommendations and are in the process of implementing a management action plan to address the identified risk to City assets and information. **(See Exhibit A.)**

Exhibit A

Audit ID	Section ID	Title	Department	Report Date	Recommendation	Current Status	Latest Mgt Comments	Risk Level	Estimated Completion
2024-01	1A	E-Session	E-Session	5/1/2023	E-Session	Not Implemented	E-Session	High	9/30/2023
2024-01	1B	E-Session	E-Session	5/1/2023	E-Session	Not Implemented	E-Session	High	12/31/2023
2024-01	4A	E-Session	E-Session	5/1/2023	E-Session	Not Implemented	E-Session	High	8/18/2023
2024-01	4B	E-Session	E-Session	5/1/2023	E-Session	Not Implemented	E-Session	High	8/18/2023
2023-04	1	Accounts Payable Audit Report	Finance	3/23/2023	Require sufficient supporting documentation, like receiving evidence and documented evidence that invoices are okay-to-pay, with all invoices that are submitted to Finance for payment.	Not Implemented	Management partially concurs with the audit recommendation. Recommendation Completion Date: 8/31/2023 Finance will require departments to include evidence that goods and/or services were received if the department receives evidence of receipt. Department authorization for paying invoices is already received when an invoice is processed through Munis workflow.	Moderate	8/31/2023
2023-04	2	Accounts Payable Audit Report	Finance	3/23/2023	Update its Guidelines to require that departments include sufficient supporting documentation, including documented evidence that goods and/or services were received, and invoices are okay-to-pay, with all invoices that are submitted for payment. Minimally, the Guidelines should include guidance on what documentation is sufficient support for the receipt of goods and/or services and how departments should document the person authorizing the okay-to-pay before entry in Munis.	Not Implemented	Management partially concurs with the audit recommendation. Recommendation Completion Date: 8/31/2023 Finance will update Guidelines to require departments to include evidence that goods and/or services were received if the department receives evidence of receipt. Department authorization for paying invoices is already received when an invoice is processed through Munis workflow.	Moderate	8/31/2023
2023-05	2B	Management of Policies and Procedures	Human Resources	3/23/2023	Conduct and document a quarterly self-audit ensuring employees are classified correctly and the appropriate mandatory training has been assigned to required employees in TargetSolutions.	Not Implemented	Management partially concurs with the audit recommendation. Recommendation Completion Date: 8/31/2023 Finance will require departments to include evidence that goods and/or services were received if the department receives evidence of receipt. Department authorization for paying invoices is already received when an invoice is processed through Munis workflow.	Moderate	12/29/2023
2023-03	1B	Vendor Master File City Auditor Report	Finance	9/30/2022	Review; evaluate; and take action, if needed, on the potential conflicts of interest identified during the audit.	Not Implemented	We concur with the recommendation to obtain documentation for the potential conflicts of interest identified in the audit. The Accounting Manager and AP team will work with Procurement and Human Resources to obtain documentation on future potential conflicts of interest and document within the Vendor Master File starting 12/1/2022. A review of the conflicts of interest identified in the audit will be completed by 1/31/2023.	Moderate	1/31/2023

Exhibit A

Audit ID	Section ID	Title	Department	Report Date	Recommendation	Current Status	Latest Mgt Comments	Risk Level	Estimated Completion
2023-03	3B	Vendor Master File City Auditor Report	Finance	9/30/2022	Implement a formal "stop" vendor policy and: Review vendors for inactivity, as defined by Finance's "stop" vendor policy. Modify vendor status to "stop" for vendors that meet or exceed the "stop" vendor policy. Document the results of the review.	Partially Implemented	AP worked with IT to identify and "stop" all vendors that did not have activity for the previous three years as of June 2022. That resulted in over 1,000 vendors being "stopped." AP will review each year after year-end. However, AP does not have a formal "stop" vendor policy in place yet. Therefore, there is no criteria to evaluate 3B with. Further, 3B #3 recommends that AP document the results of the review; no supporting documentation was provided as of 2/14/2023. On 2/17/2023, the Assistant Director of Finance provided supporting documentation for the vendors' AP stopped. However, 3B cannot be evaluated until 3A is implemented.	Moderate	7/31/2023
2020-01	3A	Building Safety Permit Proc	Community Development	6/16/2019	At least annually, request a printout of the database fee tables from IT and perform a comprehensive review of the tables for accuracy and completeness. i. The LIS "End Date" field should be updated when fees expire. ii. Any corrections should be submitted to IT for processing.	OnGoing - OnTrack (Pending System Implementation)	As of 12/2/ 2022 - Database design was finalized and accepted in November 2021. Currently, coding of the following modules (Dev. Agreement, Design Review, Permit Tracking, Code Enforcement, Digital Review, Cashiering) are still underway along with the integration and coding of the different Application Programing Interfaces (APIs) to Munis, Tyler cashiering, Paymentus (online payment portal) and Camino (online user interface). Upon module completion, staff will begin User Acceptance Testing (UAT), which may require the developer to adjust code based on user input. Prior to final acceptance, the project team will conduct staff training. The project is estimated to be at 70% with Final acceptance of the LIS project estimated for late fall or early winter.	Low	2/1/2023
2020-01	3B	Building Safety Permit Proc	Information Technology	9/16/2019	Work with the developer to address database duplications, such as in the LIS Development Fee andLU_Flat_Fee tables. Assess how redundancy in tables might impact future data migration efforts, time and impact of making adjustments now. Any potential updates should be discussed with the Division.	OnGoing - OnTrack (Pending System Implementation)	Provided by the Community Development Director on 12/2/2022: Database design was finalized and accepted in 11/2021. Currently, coding of the following modules (Dev. Agreement, Design Review, Permit Tracking, Code Enforcement, Digital Review, Cashiering) are still underway along with the integration and coding of the different Application Programing Interfaces (APIs) to Munis, Tyler cashiering, Paymentus (online payment portal) and Camino (online user interface). Upon module completion, staff will begin User Acceptance Testing (UAT), which may require the developer to adjust code based on user input. Prior to final acceptance, the project team will conduct staff training. The project is estimated to be at 70% with Final acceptance of the LIS project estimated for late fall or early winter.	Low	2/1/2023
2024-01	5B	E-Session	E-Session	5/1/2023	E-Session	Not Implemented	E-Session	Low	9/1/2023

Exhibit A

Audit ID	Section ID	Title	Department	Report Date	Recommendation	Current Status	Latest Mgt Comments	Risk Level	Estimated Completion
2023-05	5A	Management of Policies an	Human Resources	3/23/2023	Ensure notice and training of EPM updates and amendments are provided to employees in accordance with EPM 1.4.	Not Implemented	<p>Management concurs with the audit recommendation.</p> <p>Recommendation Completion Date: 12/29/2023</p> <p>When EPM Updates and amendments occur, generally, notification and training are provided simultaneously. To increase the efficiency and effectiveness of communication of these changes to employees, the Human Resources department will update the policy to reflect a 60-day requirement for both notification and training of substantive policy updates.</p>	Low	12/29/2023
2023-05	6A	Management of Policies an	Human Resources	3/23/2023	Update the conflict of interest notification process to be clearly defined and consistent across policies and procedures where conflict of interest is mentioned by working with Finance. Conflict of interest should be acknowledged by employees annually, similarly to how Secondary Employment is acknowledged by employees.	Not Implemented	<p>Management concurs with the audit recommendation.</p> <p>Recommendation Completion Date: 3/31/2024</p> <p>The Human Resources Department will work with the Finance Department to ensure consistent policies and procedures as it pertains to Conflict of Interest. Additionally, the Conflict of Interest policy will be assigned to all employees on an annual basis for review and disclosure along with the Secondary Employment policy. The next time these will go out is in March of 2024.</p>	Low	3/31/2024
2023-05	6B	Management of Policies an	Human Resources	3/23/2023	Update the Ethic and Values Guide to clearly define the city's core values, as shown in the Values Statement. It should also be updated to be consistent with and reflect EPM updates and amendments and include a commitment to investigate and take action on reported concerns, a policy on data security, a policy on compliance with laws and regulations, and consequences for non-compliance. The Ethic and Values Guide should be acknowledged by employees annually, similarly to how the EPM is acknowledged by employees.	Not Implemented	<p>Management concurs with the audit recommendation.</p> <p>Recommendation Completion Date: 12/29/2023</p> <p>Concurs with Conditions – The City of Surprise Human Resources Department will work with City Leadership to abolish the Ethics and Values Guide and instead incorporate an Ethics and Values statement into the beginning of the EPM. Policies specific to ethics and values will be designated in the EPM as well. This creates a less burdensome process with one document to maintain instead of two, plus it is more convenient for employees only to have one document to reference. This also prevents the risk that policies in different sources might contradict one another.</p>	Low	12/29/2023

High	Represents an observation requiring immediate action by management to mitigate risks associated with the process being audited. High risk observations should be implemented to mitigate current gaps in areas with a significant
Moderate	Represents an observation requiring timely action by management to mitigate risks associated with the process being audited. Moderate risk observations should be implemented to strengthen or increase efficiency in the internal
Low	Represents an observation for consideration by management for correction or implementation associated the process being audited. Low risk observations should be implemented to improve efficiency and effectiveness of



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Discussion pertaining to the Compliance Connection Newsletter, Issue No. 2.

Motion:

No motion is required.

Background:

This item has been placed on the agenda to discuss the results of work performed as part of the FY2023-2024 Annual Audit Plan approved by the Audit Committee at the start of the fiscal year.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

Policy Compliant:

Sec. 2-304 (c) (6-8) of the Surprise Municipal Code directs the Audit Committee to: In coordination with the city auditor, review significant audit findings and monitor responses thereto; provide independent review and oversight of the internal and external auditor including any audits either performs, and evaluate internal and external audits for performance and compliance with accepted professional standards.

Financial Impact:

There is no financial impact associated with this item.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:

1. Compliance Connection Issue #2- 22Sep2023
-

Compliance Connection

Issue #2

September 22, 2023

Welcome to the City Auditor Department's second edition of **Compliance Connection**. This issue of **Compliance Connection** focuses on the importance of separation of duties, system access controls, and conflict of interest.

Congratulations to Maria Aranda, our first randomly selected winner from Issue #1 of **Compliance Connection**.

The Power of Separation

By Angela Hanson

Separation of duties is an important and powerful concept in any organization. It refers to the practice of separating tasks and associated privileges for a business process among multiple staff so that no one employee has the ability to both perpetrate and conceal fraud or errors. Separating duties makes it more difficult for one person to commit fraud or errors. Duties should be separated for major functions like:

- authorization,
- custody,
- record keeping, and
- reconciliation.

So, what can you do? Look at your area. Are there any processes where a single person has too much control? If so, work with your team to find ways to divide responsibilities more effectively. Separation of duties is not just a best practice—it is essential for creating an ethical workplace.

Want to know more and hear about a real-world case? Check out the movie *All the Queen's Horses* for a true story about how not properly separating duties led to a \$53 million dollar fraud over the span of 20 years, the largest case of municipal fraud in the United States! The movie is currently available to stream on Amazon Prime, Tubi, Freevee, or YouTube (<https://www.youtube.com/watch?v=RXSZhKEddxl>). Around the 44-minute mark in *All the Queen's Horses*, Kimberly Nelson speaks about the functions that the City of Dixon separated. To be entered into a drawing for a gift card, tell us which functions the City of Dixon separated in an email to surpriseauditor@surpriseaz.gov by **5:00 p.m. on Thursday, October 5, 2023**.

Who Has Access to Your Department's Data

By Carol Holley

The 2022 Cost of a Data Breach Report issued by IBM Security references the average total cost of a data breach in the United States as \$4.35 million in 2022. Managing user access rights and privileges to city systems and data is one way to reduce cybersecurity risk and decrease the potential of a city data breach, privacy violations, or privilege misuse.

The city's Information Technology Department has developed the *Information Security General Controls Policies and Procedures* to help guide departments on how to reduce the threat of cybersecurity risk. A periodic review of who has the authorization to view, add, modify, or delete your department's data is a great starting point:

- Has an employee transitioned out of your department or been terminated from the city?
- Have an employee's job duties changed? If so, do they still have previous access rights that might pose segregation of duties concern?
- Are generic user accounts active and in use? Are they necessary? If they are, how are they monitored and managed?
- Has your department recently placed a new system online? Does the vendor still have access to the system? If so, is access required? If access is required, are controls set up to limit the use of the vendor account until when it is needed?

When was the last time an overall review of user access rights and privileges to your department's system(s) and data was performed? Is it time to perform a user access rights and privileges review?



**CITY OF SURPRISE
City Audit Committee**

Council Meeting Date: September 21, 2023
Submitting Department: City Auditor
Staff Recommendations:

Contact Person:
District: Citywide

Consent: No Regular: No Public Hearing: No Report/Discussion: No

Agenda Wording:

Consideration and action to recess into executive session for the purpose of discussion and consideration of records exempt by Arizona law from public inspection and discussions relating to assessments of security of operations of the Fire-Medical Department pursuant to A.R.S. §38-431.03(A)(2) and (9).

Motion:

I move to recess into executive session for the purposes noticed.

Background:

This item has been placed on the agenda to discuss the results of work performed as part of the FY2022-2023 Annual Audit Plan approved by the Audit Committee at the start of the fiscal year.

Objective Analysis:

The mission of the City Audit Committee is to provide advice to the city council in respect to fulfilling its oversight responsibilities regarding the integrity of the city's annual comprehensive financial statements and to assist and advise the city auditor and city council on matters relating to the city's compliance with legal and regulatory requirements, systems of internal controls, management of citywide risk environment and the performance of internal and external auditors. This discussion and possible action will lend itself to the oversight and advisory components of the mission statement. City staff does not anticipate any negative impacts at this time.

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Financial Impact:

This item relates to work performed as part of the FY2022-2023 Annual Audit Plan approved by the Audit Committee with the objective of identifying opportunities to minimize operational and financial risk to City assets.

Budget Impact:

There is no budget impact associated with this item.

FTE Impact:

There is no FTE impact associated with this item.

ATTACHMENTS:
