



Independent Audit and Performance Commission (IAPC)
Wednesday, November 6, 2024, 3:00 PM

Hybrid Meeting

Minutes

1. Call to Order and Roll Call— 3:04 p.m.

COMMISSION MEMBERS PRESENT: Bruce Burke (Ward 4), Robert Clark, Vice Chairperson (Ward 5); Lois Pawlak, Chairperson (Ward 6)

COMMISSION MEMBERS ABSENT/EXCUSED: Mayor's Appointee (Vacant); Ward 1 Appointee (Vacant); Ward 3 Appointee (Vacant); Ward 4 Appointee (Vacant)

COMMISSION MEMBERS LATE: N/A

COMMISSION MEMBERS EXCUSED EARLY: N/A

A quorum was established.

STAFF MEMBERS: Sarah Denman, Executive Assistant to City Manager Timothy Thomure, City Manager's Office; Aaron Williams, Deputy Director, Business Services Department (BSD); Anna Rosenberry, CFO/Assistant City Manager, Angele Ozemelam, BSD Director.

2. Approval of previous IAPC Meeting Minutes (5 minutes)

Motion by Chairperson Pawlak to approve amended meeting minutes from October 2, 2024 IAPC Board Meeting to reflect detailed neighborhood fund allocations, including the current financial balance per neighborhood, seconded by Commissioner Burke. The motion passed with three (3) votes in favor.

3. Staff Update (5 minutes)- Aaron Williams, Deputy Director, BSD

- **Annual Financial Statements:**

- Fund-level statements completed and reviewed.
- No delays or roadblocks anticipated; project progressing as planned.

- **FY26 Budget Kickoff:**

- Planning to begin within the next two weeks.
- \$9 million city framework funding application process completed; award committee review underway.
- Funding distribution to start within the month.

- **ARPA Funding:**

- Tucson allocated \$136 million during the pandemic.
- All funds obligated ahead of the federal deadline (end of 2024).
- No anticipated compliance issues; quarterly reports submitted on time.

- No questions were raised by commissioners regarding the staff update
- 4. FY25 Audit Plan & Internal Auditor Hiring Updates (40 minutes)- Anna Rosenberry, CFO/Assistant City Manager, Angel Ozoemelum, Director of Business Services Department**
- **Internal Audit Staffing:**
 - Two positions (Internal Auditor and Senior Internal Auditor) remain vacant.
 - Internal Auditor position has been unfilled for two years.
 - Recruitment challenges due to:
 - Nationwide shortage of qualified finance and audit professionals.
 - Difficulty attracting applicants to municipal roles in Tucson.
 - Plan to post at least one position within 30 days or so.
 - **Current Audit Challenges:**
 - No ongoing detailed internal audits due to staffing shortages.
 - Reliance on external consultants for major audits.
 - Consulting functions by internal audit staff raised concerns among commissioners regarding scope and purpose.
 - **Audit Scope Concerns:**
 - Commissioners suggested expanding audits to include:
 - Process audits in various departments (e.g., transportation, neighborhood services).
 - Risk-based assessments across city functions.
 - Emphasis on transitioning from consulting services to a stronger audit focus.
 - **Actions Taken:**
 - Formation of a subcommittee to review Tucson's internal audit functions, investigate best practices from other cities, and provide recommendations for improved audit scope and processes.
- 5. Review of IAPC Duties and Functions (30 minutes)- Sarah Denman, IAPC Staff Liaison**
- **IAPC roles as defined in the City Charter:**
 - Review and comment on the city's annual audit plan.
 - Conduct independent appraisals of city programs, policies, and operations.
 - Evaluate internal control structures to improve efficiency and compliance.
 - Provide biannual reports to Mayor and Council on findings and recommendations.
 - **Key Distinction:**
 - IAPC's advisory role focuses on oversight and evaluation.
 - Internal audit functions are operational, conducting detailed investigations and ensuring compliance.
 - **Commissioner Discussion:**
 - Concerns raised over the limited scope of IAPC activities and outdated charter language.
 - Agreement to explore best practices in other municipalities and create a comparison report.
 - **Actions Taken:**

- Chairperson Pawlak to lead a subcommittee to research and draft recommendations on internal audit functions.

6. Review of IAPC Vacancies (10 minutes)

- **Key Points:**

- Chronic vacancies in multiple wards noted as a barrier to commission effectiveness.
- Lack of active recruitment by Mayor and Council raised concerns.

- **Action taken:** Commissioners agreed to draft an appeal letter, with Chairperson Pawlak as the person to draft an initial appeal letter to the Mayor and Council, highlighting the need to fill vacant positions to enhance commission functionality. A draft letter will be presented at next meeting when Chairperson Pawlak is present to review the draft letter with committee members.

7. Call to the Audience (15 minutes)

No members of the public were present; no action taken.

8. Future Agenda Items (10 minutes)

Commission cast an official vote to remove reoccurring list of future agenda items and voted on new ones.

- **Confirmed Items:**

- Subcommittee report on internal audit function review, FY 24 Budget book presentation, and Water Department infrastructure replacement budget plans.

- **Removed items:**

- Topics related to TPD recruiting, retention, compensation, and City Attorney support for TPD.

9. Adjournment

Meeting adjourned at 4:49 p.m.; the next meeting of the IAPC is scheduled for Wednesday, December 4, 2024, at 3:00 p.m.

Commission Members Representing the Office of:

(Mayor) Vacant; **(W1)** Vacant; **(W2)** Bruce Burke; **(W3)** Vacant **(W4)** Vacant; **(W5)** Robert Clark, Vice Chairperson; **(W6)** Lois Pawlak, Chairperson

Staff Liaisons:

Sarah Denman, Executive Assistant to the City Manager, City Manager's Office

Note:

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