



Independent Audit and Performance Commission (IAPC)
Friday, June 6, 2025, 11 a.m.

Hybrid Meeting

Legal Action Report

Location: 255 W. Alameda St., Tucson, Arizona, 85701; City Hall, 5th floor

1. Call to Order and Roll Call— 11:02 a.m.

COMMISSION MEMBERS PRESENT: Bruce Burke (Ward 2), Michel Lahiti (Ward 3), 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, City Manager's Office; City Manager's; Angele Ozoemelum, Director of Business Services Department; Aaron Williams, Deputy Director, Business Services Department.

2. Approval of the February 5 & March 5, 2025, IAPC Meeting Minutes – 5 minutes

Action Taken:

- Motion by Commissioner Clark to approve February 5 and March 5 minutes as presented.
- Seconded by Commissioner Burke.
- Unanimously approved.

3. Staffing Update – Deputy Director Aaron Williams – 15 minutes

Action Taken: Information Only – No Vote Required.

Key Updates:

- Overview of FY26 Budget Process nearing finalization.
- Compensation Plan includes phased in-range pay placements and a 1.5% merit-based adjustment.
- Explanation of "4900 Project" to align employee pay ranges based on education/experience using the Base Pay Calculator.
- Evaluations citywide are being completed for pay progression eligibility.
- BSD nearly complete with all staff evaluations.
- External audit planning is underway for FY25 year-end closeout.
- Anticipated completion: Late Fall 2025.
- Grant funding risks from federal budget shifts are being monitored, but contractual obligations protect current grants.

Commission Questions:

- Commissioner Clark asked for clarification on market rate methodology and merit increase qualifications.

- Commissioner Pawlak inquired about potential grant reductions.
- Commissioner Clark asked about internal auditor hiring status; Williams confirmed BSD is not managing that recruitment—City Manager's Office is.

4. Discussion of Comparative Municipality Internal Audit Programs – 30 minutes

Action Taken: Information Only – No Vote Required.

Key Updates:

- Chairperson Pawlak led a presentation comparing Tucson's internal audit practices to cities like El Paso and Albuquerque.
- Identified gaps in Tucson's audit transparency, reporting, audit plan diversity, and staffing.
- Questions raised about whether requiring CPAs for audit positions is limiting candidate pool.
- Commissioners agreed Tucson lacks visibility and consistency in publishing audit reports or maintaining a public audit schedule.
- Vice Chair Clark and Commissioner Lahti emphasized the need for an action plan and requested that someone with internal audit oversight authority (e.g., BSD or City Manager's Office) be present at the next meeting.

Follow-Up Actions:

- Vote approved to include a future agenda item requesting a representative from BSD or City Manager's Office with oversight on internal audit hiring/status.
- Discussion will include potentially inviting former internal auditors like Aaron Williams for historical context or Director Ozoemelum.

5. Review of IAPC Meeting Frequency and Bylaws – 30 minutes

Action Taken:

- Commissioners discussed modifying the bylaws to allow flexible meeting dates and remove rigid "first Wednesday at 3 p.m." requirement.
- It was clarified that the IAPC is bound by Tucson Code §10A-123(C) to meet monthly.
- A current posting form (PNS Form) allows "meet as needed" scheduling but may conflict with Code.
- Commissioner Clark moved to add a future agenda item to review bylaws in the presence of a City Attorney.
- Motion seconded by Commissioner Burke.
- Unanimously approved.

Follow-Up Actions:

- Staff to coordinate attendance by a City Attorney at the next meeting.
- Bylaws and Tucson Code §10A-123(C) will be reviewed for possible amendment recommendations.

6. Review Sections of The Tucson Code Regarding IAPC Functions and Reporting Requirements – 15 minutes

Action Taken: Deferred to Next Meeting

Rationale: Commissioners agreed this section warrants review in tandem with bylaws and legal consultation to clarify the commission's function and scope of responsibility with someone from the City Attorney's Office.

7. Discussion on Six (6) Month Meeting Report on IAPC Meeting Plan – 15 minutes

Action Taken:

- Staff shared a draft of the six-month activity report.
- Commissioners discussed enhancing the report's clarity and including items discussed over recent months.

- Chairperson Pawlak will review and revise report draft.
- Commissioners requested the previous annual and six-month reports be distributed via email for comparison.

Follow-Up Actions:

- Sarah Denman to distribute last two reports to commissioners.
- Chairperson Pawlak to revise six-month report for commission review before submission.

8. Call to the Audience – 10 minutes

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

9. Future Agenda Items – 10 minutes

Confirmed Topics for Next Meeting:

- Review and potential revision of IAPC Bylaws with City Attorney present.
- Tucson Code Section §10A-123 review.
- Continued discussion on internal audit function, including presentation from BSD or City Manager's Office.
- Finalization and vote on Six-Month Report.
- Commissioner introductions and background sharing (per request from Commissioner Lahti).

10. Adjournment

Meeting adjourned at 1:05 p.m.

Next Meeting Scheduled: Wednesday, May 7, 2025, at 3:00pm

Commission Members Representing the Office of:

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

Staff Liaison(s):

Sarah Denman, Executive Assistant, City Manager's Office

Note:

Persons with a disability may request a reasonable accommodation by contacting the City Clerk's Office at 791-4213 or (520) 791-2639 for TDD. Requests should be made as early as possible to allow time to arrange the accommodation.