



Independent Audit and Performance Commission (IAPC)
Wednesday, July 16, 2025, 3:00 p.m.

Hybrid Meeting
Location: 255 W. Alameda St., Tucson, AZ, 85701; City Hall, 5th Floor

Minutes

1. Call to Order and Roll Call— 3:10 p.m.

COMMISSION MEMBERS PRESENT: Michael Lahti (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); Bruce Burke (Ward 2); Ward 4 Appointee (Vacant)

COMMISSION MEMBERS LATE: N/A

COMMISSION MEMBERS EXCUSED EARLY: N/A

A quorum was established.

STAFF MEMBERS: Angele Ozoemelum, Director of Business Services Department; Aaron Williams, Deputy Director, Business Services Department.

2. Approval of the June 6, 2025 Meeting Minutes – 5 minutes

- Motion by Commissioner Clark to approve June 6, 2025, meeting minutes as presented
- Seconded by Commissioner Lahti.

Motion passed unanimously

3. New IAPC Member Introductions – 5 minutes

- **Chairperson Pawlak:**
 - Background in auditing; Certified Quality Management System Auditor.
 - 30 years' experience in manufacturing, aerospace, defense auditing.
 - Former Hughes Aircraft employee; also worked at Honeywell.
 - President of Garden District Neighborhood Association.
- **Commissioner Michael Lahiti:**
 - Tucson resident for 13 years; five children, eight grandchildren (youngest born last week in San Francisco).
 - Professional background in state government, academia, and private sector — data analysis, program evaluation, applied research.
 - Experience as audit recipient in state government and as vendor for State Auditor General's Office.
- **Commissioner Robert Clark:**
 - Retired Family Court Judge, New York City; former prosecutor and county attorney.
 - Tucson resident since 2004.
 - Previously served on IAPC (2009–2017); reappointed after nomination by Ward 5 Supervisor.

4. Staff Updates – 5 minutes

Presented by: Angele (Business Services) and Aaron (City Manager's Office)

- Business Services Update:
 - Met with bond rating agencies (Moody's, Pinchas, Heath) regarding water bonds; ratings expected Friday.
 - Fiscal Year 2025 closed June 30; preparing final financial report for audit.
 - Sales tax revenue down; decline in state shared income anticipated, requiring revenue projection revisions.
- Internal Audit Program & Staffing:
 - Internal audit under City Manager's Office; external audit under Business Services.
 - One internal auditor position authorized in FY26 budget.
 - Recruitment process requires City Manager authorization; request submitted last week.
 - Past two recruitments (Dec 2024) yielded ~20 applicants, none meeting minimum qualifications.
 - Position description developed with HR; minimum vs. preferred qualifications discussed.
 - Commissioner concerns: 18-month vacancy, lack of prioritization despite audit function's cost-saving potential.
 - Clarification: Internal auditor count reduced from two to one; one position reallocated to create Executive Management Advisor role (Aaron).

5. Review Sections of the Tucson City Charter Regarding IAPC Functions and Reporting Requirements– 35 minutes

Presenter: Dennis McLaughlin, City Attorney's Office

- Charter vs. Code:
 - Charter = City's constitution, voter-approved.
 - Charter requires annual independent audit by external CPA.
 - Authority to establish commissions found in Chapter 24, Sec. 1 of Charter.
- Code Provisions (§10A-120 to §10A-125):
 - §120: Creates commission, outlines composition and appointments.
 - §121: 7 members appointed by Mayor/Council; up to 8 years consecutive service allowed (non-exempt from 1-year break rule).
 - §122: Functions/duties include review of annual audit plan, examination of records, evaluation of internal control structures, and other tasks by direction of Mayor/Council or vote of commission.
 - §123: Organization & meetings – must meet at least monthly unless ordinance changed.
 - §124–125: Limitations of powers; staff support by City Manager's Office.
- Attendance Rules (§10A-134E):
 - Removal possible after 4 consecutive absences or <60% attendance in a year.
 - Exceptions for technical issues or valid excuses (e.g., equipment failure).
- Audit Plan Overview:
 - Developed annually by Internal Audit, based on risk assessment, staffing levels, and Yellow Book/IIA best practices.
 - Hours allocated to: Consultant services (proactive improvements), Board support, Assurance services (traditional audits).
 - Suggestion: Review plan in detail at a future meeting.

6. Review Sections of the Tucson Code Regarding IAPC Function & Reporting Requirements – 15 minutes

- Bylaws: Regular meetings first Wednesday monthly; special meetings as needed.

- **Frequency Changes:**

- Any reduction below monthly requires ordinance change to §10A-123(D).
- Day/time changes can be made via bylaw amendment with majority vote.
- Commissioners discussed flexibility, quorum challenges, and possible amendments.

7. Call to the Audience – 10 minutes

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

8. Future Agenda Items – 15 minutes

- Detailed review of Internal Audit functions and audit plan development process.
- Discussion on meeting frequency and possible ordinance/bylaw changes.

9. Adjournment

Meeting adjourned at 5:04 p.m.

Next Meeting Scheduled: TBD; date to be confirmed and posted no later than 24 hours prior.

Commission Members Representing the Office of:

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

Staff Liaison(s):

Sarah Denman, Executive Assistant to the City Manager, 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.