

# AUDIT, FINANCE & ENTERPRISE COMMITTEE MINUTES

June 27, 2024

The Audit, Finance & Enterprise Committee of the City of Mesa met in the lower-level meeting room of the Council Chambers, 57 East 1st Street, on June 27, 2024, at 9:44 a.m.

COMMITTEE PRESENT	COMMITTEE ABSENT	STAFF PRESENT
Jennifer Duff, Chairperson Mark Freeman Francisco Heredia	None	Mike Kennington Holly Moseley Bill Taebel

Chairperson Duff conducted a roll call.

1. Items from citizens present.

There were no items from citizens present.

2-a. Hear a presentation, discuss, and provide a recommendation on the proposed Audit Plan for FY 2024/2025.

City Auditor Joseph Lisitano displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Lisitano provided an overview of the proposed Audit Plan for Fiscal Year (FY) 2024/2025. (See Page 2 of Attachment 1)

Mr. Listano reviewed the list of audits currently in progress and explained that some audits were in the reporting phase and the auditor's responsibility is to determine if controls are in place and ensure procedures, policies, requirements, and statutes are followed. He noted that the Intergovernmental Agreements (IGAs) Cost Recovery audit is under review to ensure that all required costs are recovered. He added that the Arts & Culture audit regarding the Mesa Arts Center revenues is taking place to ensure that the fees and charges are accurately calculated, recorded, and collected. (See Pages 3 and 4 of Attachment 1)

In response to a question from Committeemember Freeman, Mr. Lisitano indicated his timeline to provide an update on the audits to the Audit & Finance Committee varies for each, but he estimates completion of the audits by the end of December 2024. He noted the departments need sufficient time to respond to the audit with an action plan to correct any findings.

Mr. Lisitano discussed the audits for the upcoming FY 2025. He reported that the public records requests (PRR) are the responsibility of all departments; however, the City Clerk controls the system that receives the requests. He commented that the auditor will review to ensure that the departments are meeting their responsibilities, complying with PRRs, meeting deadlines, and providing the required information. (See Page 5 of Attachment 1)

Mr. Lisitano identified the three follow-up reviews due next year, and reviewed additional responsibilities that the City Auditor's Office conducts. He noted that the Biennial Citywide Cash Handling Audit is performed randomly to ensure cash is accurate and City procedures are followed. He emphasized that due to the reduction in the amount of cash collected since COVID, audits are now conducted every two years instead of annually. (See Pages 6 and 7 of Attachment 1)

Chairperson Duff thanked staff for the presentation.

3. Adjournment.

Without objection, the Audit, Finance & Enterprise Committee meeting adjourned at 9:54 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Audit, Finance & Enterprise Committee meeting of the City of Mesa, Arizona, held on the 27<sup>th</sup> day of June 2024. I further certify that the meeting was duly called and held and that a quorum was present.

  
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HOLLY MOSELEY, CITY CLERK

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(Attachments – 1)



# City Auditor

# Proposed FY 2025 Audit Plan

Presentation to the Audit, Finance and Enterprise Committee

June 27, 2024

Joseph Lisitano, City Auditor

## Audit Plan Overview

- Current work in progress
- Audits planned for FY 2025
- Follow-up reviews due in FY 2025
- Other activities

## Current Work in Progress

- Police Department – Case Management
- DoIT – Cybersecurity
- DoIT – Remote Access
- Citywide – Take Home Vehicles
- Citywide – Special Pay Programs

## Current Work in Progress

- Citywide – Intergovernmental Agreements Cost

### Recovery

- Engineering/Financial Services – CFD Reimbursements
- Engineering – ASU Facilities at Mesa City Center Post-Construction
- Arts & Culture – Mesa Arts Center Revenues

## Audits Planned for FY 2025

- \*Human Resources – Hiring & Recruitment Practices
- \*City Attorney – VOCA Program
- \*City Clerk – Public Records Requests
- \*Police Department – Mental Health Services Team
- \*Water Resources – Annual Ordering and Reporting
- Police Department – Off-Duty Employment Program

\*Carried over from the FY 2024 Audit Plan.

## Follow-up Reviews

- DoIT – Software/Application Management
- Police Department – Badging/Security Access
- Transportation – Street Maintenance



## Other Activities

- Biennial Citywide Cash Handling Audits (next report FY 2025)
- Annual Credit Card Security Review
- Fraud & Ethics Hotline Investigations
- Consulting (limited reviews, other projects, etc.)
- Unscheduled Audits (if requested by City Manager or City Council)

# Questions or changes?