



City Auditor

Presentation to the Audit, Finance and Enterprise Committee

December 1, 2022

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Reports Issued July – November 2022



Mesa Tennis & Pickleball Center Revenues



Veteran Affairs Supportive Housing Voucher Program



Badging/Security Access



Procurement Processes Follow-up Review

Mesa Tennis & Pickleball Center Revenues

Report Date: 9/28/2022

An audit to determine whether effective controls are in place to ensure all due fees and charges are accurately calculated, recorded, and collected.

Mesa Tennis & Pickleball Center Revenues

What did
we audit
and why?

- Reviewed policies and procedures to gain an understanding of operations.
- Interviewed department personnel and observed procedures to assess effectiveness of controls.
- Tested a sample of fees & charges and reservations.
- Why? To verify effective controls are in place to ensure revenues are accurately calculated, recorded, and collected.

Mesa Tennis & Pickleball Center Revenues

What did
we find and
recommend?

PRCF does not have a process in place to ensure revenues are applied the proper tax rates in its internal system.

Recommendation:

- Develop and implement the following policies and procedures:
 - Require a supervisory review of all activity codes created.
 - Provide guidance on the proper tax rates to apply to services provided.
 - Review tax withholding amounts for reasonableness and ensure rates were properly applied.

Mesa Tennis & Pickleball Center Revenues

Response and Follow-up

- Management agrees with the recommendation and is implementing a corrective action plan.
- The change should be completed by 12/31/2022.
- We will remain engaged with the department throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Veteran Affairs Supportive Housing Voucher Program

Report Date: 9/20/2022

An audit to determine whether effective controls are in place to properly administer the U.S. Department of Housing and Urban Development Veteran Affairs Supportive Housing Voucher program in accordance with applicable policies, statutes, and other requirements.

VASH Program

What did
we audit
and why?

- Reviewed policies and procedures to gain an understanding of VASH program operations.
- Interviewed department personnel and observed procedures to assess effectiveness of controls.
- Tested a sample of program participant files, housing inspections, and rental payments to verify compliance with program requirements.
- Why? To verify effective controls are in place to ensure the program is administered in accordance with applicable policies, statutes, and other requirements.

VASH Program

What did
we find and
recommend?

In our opinion, effective controls are in place to properly administer the VASH program in accordance with applicable policies, statutes, and other requirements.

Badging/Security Access

Report Date: 11/7/2022

An audit to determine whether effective controls are in place to ensure that building/suite access is managed appropriately to prevent unauthorized access to City facilities.

Badging/Security Access

What did
we audit
and why?

- Reviewed policies and procedures and interviewed department staff to gain an understanding of operations and assess effectiveness of controls.
- Analyzed badging data and reports.
- Tested current and terminated employee, contractor, and volunteer access to buildings and doors.
- Why? To verify effective controls are in place to ensure access is managed appropriately to prevent unauthorized access to City facilities.

Badging/Security Access

What did
we find and
recommend?

Identification badge and access approvals are not always documented.

Recommendation:

- Ensure forms are properly completed by performing the following:
 - Update forms to clearly require supervisor approval.
 - Document other methods of obtaining supervisor approval.
 - Create internal policies and procedures documenting allowable verification methods for supervisor approval.

Badging/Security Access

What did
we find and
recommend?

Badges are not always returned after termination.

Recommendation:

Establish a process to ensure all badges are returned after termination or evaluate the risk of badges not being returned and update the policy as appropriate.

Badging/Security Access

Response and Follow-up

- Management agrees with the recommendations and is implementing corrective action plans.
- All changes should be completed by 6/30/2023.
- We will remain engaged with the department throughout the process to help ensure successful implementation.
- We will perform a follow-up review in approximately 1 year.

Procurement Processes Follow-up Review

Report Date: 11/9/2022

A follow-up review to ensure action plans were successfully implemented.

Procurement Processes Follow-up Review

What did
we find?

✓ Implemented

Status of recommendations from November 2021 report:

- ✓ Update existing procurement forms and/or create a method to include Conflict of Interest documentation for employees participating in large procurements. Additionally, retain the form/document with other procurement related files.
- ✓ Develop a process that ensures a written agreement is in place between the City Manager and the cooperative agency prior to using cooperative contracts.
- ✓ Confirm the cooperative agencies use methods in alignment with City competitive selection requirements at initial use and then every five years after that to ensure the agencies' practices are continued. The confirmation should be documented.

Questions?



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