

# END OF YEAR REPORT

*FY 2025*



CITY HALL  
Council Chambers

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## MESSAGE FROM THE CITY AUDITOR

As we conclude this year, I am pleased to present the achievements of the Office of the City Auditor. Operating with a dedicated team of one full-time auditor, significant strides have been made to enhance transparency, accountability, and operational effectiveness within the city.

### Key Accomplishments:

- **Establishing Operational Resilience:** A solid foundation was laid to ensure the Office of the City Auditor remains effective and operational during periods of turnover among key personnel. This proactive approach safeguards continuity and maintains the integrity of the audit process.
- **Audit Plan Completion:** 100% of the Council approved Audit Plan was completed, demonstrating our commitment to thorough and timely evaluations of city operations.
- **Strategic Planning Goals:** The goals outlined in the 5-Year Strategic Planning document were achieved, keeping our office on target and aligned with long-term objectives.
- **Recommendation Follow-Up Enhancement:** The recommendation follow-up process was enhanced, ensuring more effective tracking and resolution of audit findings. This improvement fosters a culture of continuous improvement and accountability.

These accomplishments reflect the City Auditor's dedication to serving the public with integrity and excellence. I extend my gratitude to the City Council and Audit Committee for their continued support and collaboration. Together, we will build upon this year's successes to further strengthen the city's operations in the coming year.

*Barbara Coppage*

Barbara Coppage, CIA, CFE, CQA

City of Avondale City Auditor

## MISSION STATEMENT

The City Auditor's Office conducts audits to promote operational efficiency, effectiveness, accountability, and integrity in City operations.

## WHAT IS THE AUDIT PROCESS



## WHAT DOES THE CITY AUDITOR DO

**PERFORMANCE AUDITS** - These audits focus on reviewing city programs, operations, and management systems. The goal is to ensure that department objectives are met, and operations are both effective and efficient.

**INFORMATION TECHNOLOGY AUDITS** - These audits evaluate internal controls related to cybersecurity, data management, IT governance, and business continuity, ensuring that the city's IT systems are secure and effective.

**EMPLOYEE TRAINING** - Supervisory staff within the city are trained on identifying risks and implementing controls to mitigate them, fostering a culture of accountability and risk management.

**CITYWIDE RISK ASSESSMENT** - The City Auditor conducts an annual risk assessment, using interviews, research, data analysis, and review of past audits to identify and address potential risks across city operations.

**SPECIAL REQUESTS** - The City Auditor responds to special requests from City Council or management, ensuring flexibility and responsiveness to emerging needs.

**CONTRACT AUDITS** - These audits examine city contracts to minimize the risk of non-compliance, improper payments, and potential revenue loss.

**AUDIT FOLLOW-UP** - This process tracks the progress of previous audit recommendations and verifies that action plans are implemented. For high-risk areas, additional follow-up audits may be completed to ensure continued compliance and improvement.

**PUBLIC PRESENTATIONS** - Each year, the City Auditor's role is explained to the public through the annual Citizen Academy, increasing transparency and engagement with the community.

**ANNUAL AUDIT PLAN** - Each year, the City Auditor prepares a comprehensive Audit Plan based on the risk assessment, which is then reviewed and approved by the Audit Committee and City Council.

**MANAGES THE INTEGRITY LINE** - The internal integrity line is available for employees to report instances of fraud, waste, or abuse. Reporting can be anonymous.

## WHO AUDITS THE CITY AUDITOR

A common question is, “Who audits the auditor?” The Office of the City Auditor follows Government Auditing Standards set by the U.S. Government Accountability Office (GAO)—the nation’s top audit authority. To ensure compliance with these standards, the Auditor’s work is independently reviewed every three years.

The office is currently preparing for its first certification in FY2027, reinforcing its commitment to accountability and excellence.

## INDEPENDENCE

The Office of the City Auditor was established by ordinance, granting the City Auditor the authority to perform performance audits, financial-related audits, investigations, and other non-audit services across all city programs and activities. The ordinance ensures the City Auditor has free and open access—except where restricted by law—to City records, personnel, facilities, and information needed to fulfill these responsibilities.

Appointed by the Avondale City Council, the City Auditor reports to both the Audit Committee and the City Council. The City Auditor is required to conduct audits in accordance with generally accepted government auditing standards.

## AUDIT COMMITTEE

The Board-appointed audit committee members assist the City Council with its oversight responsibilities. The Audit Committee consists of the following voting members.

- Chair Max White (Councilmember)
- Vice Chair Aaron Cook (Public Member)
- Committee Member Curtis Nielson (Vice Mayor)
- Committee Member Norma Pacheco (Public Member)
- Committee Member Gloria Solorio (Councilmember)

The Audit Committee consists of the following non-voting members.

- Committee Member Ron Corbin (City Manager)
- Committee Member Renee Weatherless (Finance and Budget Director)

### Key Performance Indicators

#### Completion of the Council-approved Annual Audit Plan

While the goal was set at 80% to allow for unexpected delays - such as system upgrades or longer audits than planned – 100% of the audits were completed, exceeding expectations. Completing planned audits ensures the City receives the full benefit of its audit program by identifying risks, improving efficiency, and promoting responsible use of public funds.

- Goal: 80% completion.
- Actual: 100% completion.

#### Customer Satisfaction

Survey results indicated that 100% of respondents agreed or strongly agreed that the City Auditor is responsive to the questions and the needs of the Audit Committee and City Council. Later this year, the City Auditor will further examine the report distribution process of audit reports to ensure they are not only timely but also effectively communicated to all relevant stakeholders.

- Goal is at least 80% of customers agree or strongly agree.
- Actual is 100% Agree or Strongly Agree that they are satisfied with the City Auditor.

#### Innovation and Growth

This measure reflects the City Auditor's ongoing effort to improve how audits are done – both in terms of quality and quantity. Since it is not based on a single number or percentage, progress is shown through meaningful actions completed during the year.

- Completed 40 hours of continuing professional education hours as required by auditing standards.
- Received 100% agreement from management on all audit recommendations.
- Set up audit software used to track the status of all audit recommendations.
- Used data analytics to review full sets of data, not just samples, making audits more thorough.
- Collaborated with other local cities to identify common risk areas in government operations.

## FY2025 ACCOMPLISHMENTS (CONTINUED)

### Building a Solid Internal Audit Infrastructure



To ensure continuity and efficiency during leadership changes, the Audit Committee directed the City Auditor to strengthen the Office's operational foundation. A 4-Year Strategic Plan, approved by City Council, outlines annual goals to support this effort.

#### **FY2025 Accomplishments:**

- Completed all FY2025 goals in the Strategic Plan.
- Implemented and actively used data analytics software to review full data sets, improving audit precision and saving department's time.
- Developed a reusable citywide risk assessment template to track audit coverage over time.
- Created a dashboard for tracking and updating open audit recommendations in one centralized location.
- Documented 15 key audit processes in a Standard Operating Procedure to guide consistent use of the new audit software.
- Enhanced the Audit Report template with a unified format and summary of findings for easier review by Council.
- Published and presented to the Audit Committee the first End of Year City Auditor Report.

## FY2025 AUDIT REPORTS COMPLETED

### Audits/Projects Completed

- Munis Controls\*
- Active Directory Part 1\*
- Active Directory Part 2
- Payroll Timekeeping Follow-up
- Fleet Management\*
- Utility Billing\*
- Police Pension Calculations
- Status of Prior Audit Recommendations
- Citywide Risk Assessment
- Annual Audit Plan

[All audits can be found on the City's website](#)

\*Audits completed by external auditors.

## Audit Highlights

### Police Pension Calculations and Contributions



During calendar year 2024, the city contributed \$4.6 million on behalf of Police employees. There were instances where the calculation of pensionable wages did not always comply with requirements. While the instances identified resulted in small dollar value contribution differences, miscalculations can impact the accuracy of pension contributions made as well as an employee's pension calculation for retirement. Recommendations were made to improve processes.

### The Fleet Management



The Fleet Management audit evaluated the fleet asset records to ensure the city properly recorded new acquisitions and assets disposed of or sent to city auctions. Inventory management and safeguarding of parts and supplies were reviewed, including the process used to ensure routine maintenance was performed as required on city vehicles. Recommendations were made to resolve variances in the asset report, as well as recommendations to document key processes for planning and budgeting for replacement vehicles, operating and proper use of vehicles, asset maintenance, and inventory management.

### Utility Billing



The Utility Billing audit included a review of the water, wastewater, solid waste, and billing operations. Recommendations were made to perform write-offs per generally accepted accounting principles for older amounts due, collect revenues due in a few accounts, manage the accounts receivable aging report, and increase controls when adjusting customer account balances.

### Technology Audits



Information technology audits are completed each year. This year's audits focused on the internal controls surrounding our financial system and Active Directory. Recommendations were made to further secure the city's operations.

## RECOMMENDATION FOLLOW-UP PROCESS

The City Auditor tracks and follows up with management to ensure that corrective actions from previous audit recommendations are completed. This process confirms whether issues have been addressed or if senior management has chosen to accept the risk of not taking action. The status of all recommendations is reported to the Audit Committee and to the City Council at least once a year. The data below reflects activity from May 1, 2024, through January 30, 2025.

### RECOMMENDATION STATUS

- 193**    **Implemented**
- 20**    **Currently in progress**
- 2**     **In progress for more than 2 years**



### RECOMMENDATION CONCURRENCE

**100%**

When management concurs with audit recommendations, it means they agree with the findings and the proposed actions. This agreement is key to making real improvements, supporting timely changes, and promoting accountability across the organization.

## CONTACT THE CITY AUDITOR

If you have questions about this report, please reach out to the Avondale City Auditor.



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<https://www.avondaleaz.gov/government/departments/city-auditor>