



Audit Committee Meeting Agenda

Thursday, December 4, 2025

CITY HALL - SONORAN ROOM | 11465 W. CIVIC CENTER DR. | AVONDALE, 85323

REGULAR MEETING

2:30 PM

Physical Access to the conference room will be available 30 minutes prior to the meeting.

CALL TO ORDER

- 1. Roll Call**
- 2. Introduction / Ice Breaker**
- 3. Approval of Audit Committee Minutes**

The Audit Committee will consider approval of the September 4, 2025, Audit Committee meeting minutes. The Committee will take appropriate action.

- 4. External Auditor Update**

The City's external auditors for the Annual Consolidated Financial Report will provide an update. This item is for discussion only.

- 5. Audit Status Report**

The City Auditor will present an overview of ongoing projects from the FY2026 approved Audit Plan. Audit projects closed this quarter will be presented to the Audit Committee. This item is for discussion only.

- 6. Integrity Line Update**

The City Auditor will provide an update on the Integrity Line. This item is for discussion only.

- 7. Calendar**

The next Audit Committee meeting is scheduled for Monday, February 23, 2026, at 10:00am.

- 8. Adjournment**

Members will attend by telephone conference call. Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the meeting.

Los miembros asistirán vía teleconferencia. Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, o con necesidad de impresión grande o intérprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta del Concejo.

MINUTES OF THE AVONDALE AUDIT COMMITTEE
CITY OF AVONDALE, ARIZONA
SONORAN CONFERENCE ROOM
September 04, 2025

A **Regular Meeting** of the Audit Committee of the City of Avondale, Arizona was convened at 11465 West Civic Center Drive in open and public session at 2:00 p.m.

Voting Members Present: Chair White; Committee Member Nielson; Committee Member Solorio*; Committee Member Cook; Committee Member Pacheco.

Non-Voting Members Present: Committee Member Corbin and Committee Member Fallstrom.

Members Absent: None.

Other Municipal Officials Present: Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk.

Audience: No members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. INTRODUCTIONS

3. APPROVAL OF THE AUDIT COMMITTEE MINUTES

Committee Member Pacheco moved to approve the May 08, 2025, meeting minutes; Committee Member Nielson seconded the motion.

Upon vote, the motion was carried unanimously 5 to 0.

Chair White	Aye
Committee Member Nielson	Aye
Committee Member Solorio	Aye
Committee Member Cook	Aye
Committee Member Pacheco	Aye

4. AUDIT REPORT DISCUSSION

Audit projects closed this quarter were presented to the Audit Committee. This item was for discussion only.

Cait Gutierrez from REDW, presented and Discussed the Developer Agreement and Contributed Asset Audit Report. She provided an overview of the purpose and importance of these agreements which are tools to manage growth and infrastructure expansion. The developer agreement details the terms for major and frequently multi-million-dollar development projects between the city and developer, which span several years. The contributed assets are infrastructure that will enhance public amenities, expand city

assets, or support sustainable green growth a developer agrees to provide to the city as part of a development project.

Monitoring these agreements is essential due to the various contents and it is critical to ensure everybody knows where everything is. The monitoring component is completed internally in Avondale, which is currently decentralized and split amongst various departments.

Ms. Gutierrez reviewed the audit report highlighting the observations and recommendations in the following areas.

1. Centralized Listing

Observed these agreements maintained across several departments, missing a centralized listing of all agreements and their status. Listed as high due to the magnitude of the agreements and various steps involved.

- Mr. Corbin explained there are many variables that go into the three-year estimate [to complete the recommendation], the first being the need for an additional staff member, which the budget does not support for at least the next two two-year budget cycles. This would require it to become an additional assignment for current staff members. Ms. Coppage explained each department will be working on this process and provide at least yearly updates to her.
- In response to Chair White's question, Cait noted she would not combine this with the Contract Listing because the developer agreement which expands such lengths functions differently than a contract. Mr. Corbin explained the key to this finding is monitoring the terms of the agreement.

2. Agreement Support

The terms of the documents span multiple years; it is important to implement processes in place for how the documentation will be maintained with a clear notation if it is resolved or not. Documentation was not maintained in centralized locations, and knowledge left with turnover, which made it difficult to locate various documents..

- Management noted they are looking at the implementation of a standardized process for tracking that includes easy access by stakeholders and provides multi-year tracking and retention for all related evidence, this is estimated to be a two-year process.
- Mr. Corbin clarified any money owed from the developer to the city is due when the project comes to completion and no completion certificate would be awarded until all terms were met.

3. Oversight:

These are Complex agreements, unique in nature, with many moving parts, use non standardized terms, originate in various departments, and don't follow the same processes.

- The City Management is working towards implementation of that standardized process which has an estimated two-year implementation process.

4. The lack of policies and procedures were also discussed.

5. Contributed Asset Agreement

Used when projects are developed and include future considerations. During development of the zoning plans, the Engineering Department will include a stipulation for the developer, which in some cases goes one step further and creates an attributed asset agreement through the City Attorney's Office. When formalized this agreement is called "conditions" which are enforceable by contract.

Mr. Corbin stated there is a fee schedule with limits and caps that was approved by City Council. Based on a recent audit, a refund policy has also been developed should a developer request one. Approximately, one and half years ago City Council approved the City Engineer's amendment of the fee for construction blocking the right of way from a flat fee to a daily fee. Ms. Coppage will track the progress of the recommendations and dates for each deliverable. The biggest take away is the oversight of the centralization, which will take an additional body.

Chair White suggested reviewing development fees and auditing impact fees for developers.

Attorney Harris echoed Mr. Corbin's comments and shared the steps she is taking to move forward with the recommendations, such as designating the finance department as the centralized location and working on the policies and procedures that outline the workflow as well.

Chair White asked that Ms. Coppage, as part of her position and role, to be included in the development of the systems and processes being put in place, so she will be able to monitor and report on progress. Mr. Corbin assured everyone that Ms. Coppage is part of the process. Ms. Coppage added that she also attended the REDW meetings, so she is familiar with the work that was done behind the scenes.

Ms. Coppage provided an update on the status of audit recommendations, noting this is a mid-year report and the last report was provided in December. As of the date of this report 51 recommendations have been completed, there are 22 not yet implemented, and there are no recommendations that have been open for twelve or more months.

5. AUDIT STATUS REPORT

The City Auditor presented an overview of ongoing projects from the FY2026 approved Audit Plan. This item was for discussion only.

Barbara Coppage, City Auditor, reviewed and discussed the Audit Status Report. She is working on the Unscheduled Point of Sale Verification audit. The audit includes six departments. She continued with a review of other projects she is working on.

The customer survey contains three questions and uses a QR code for submission of responses and comments.

The ADA web requirements will affect the type of pictures, font, color, etc. that are used in reports.

Ms. Coppage is participating in a peer review for the City of Fort Wayne, IN, where she can observe their organization, what they are and are not doing, and what can be utilized in Avondale.

She noted during the information she presents at the Leadership Academy. The integrity Line webpage is being updated to make it more user friendly.

Chair White suggested conducting a test environment so employees know where to find it and what it looks like because it appears many don't know how to utilize it or just may not be comfortable using it. Ms. Coppage shared her plan to put a fun Jeopardy Fraud on the Integrity Line page to bring awareness during Fraud Prevention week.

Chair White inquired about Codes of Conduct. Mr. Corbin advised they are part of the City's policies and procedures. A discussion ensued. Chair White said it is important to find a way to deliver this information to the employees in a way they can digest it and manifest the right outcomes for the city.

Ms. Coppage provided an overview of measures on how to prevent fraud.

6. CALENDAR

The proposed Audit Committee meeting dates for calendar year 2026 were presented. This item was for discussion only.

The next Audit Committee meeting is scheduled for Thursday, December 4, 2025, at 2:30pm.

7. ADJOURNMENT

There being no further business before the Committee, Committee Member Pacheco moved to adjourn the Regular Meeting; Committee Member Solorio seconded the motion.

Upon vote, the motion was carried unanimously 5 to 0.

Chair White	Aye
Committee Member Nielson	Aye
Committee Member Solorio	Aye
Committee Member Cook	Aye
Committee Member Pacheco	Aye

Meeting adjourned at 3:00 p.m.