City of Avondale

Audit Committee Meeting

Committee Members

Max White, Chair*

Aaron Cook, Vice Chair

Curtis Nielson, Committee Member*

Gloria Solorio, Committee Member*

Norma Pacheco, Committee Member

**The noted members are members of the Avondale City Council who have been selected to serve as committee members on the Audit Committee.*

Non-Voting Committee Members

Ron Corbin, City Manager

Renee Weatherless, Finance and Budget Director

City of Avondale Staff

Barbara Coppage, City Auditor

Veronica Moreno, City Clerk Specialist

Audit Committee Meeting
Notice & Agenda
Thursday, September 3, 2026

SONORAN CONFERENCE ROOM | 11465 WEST CIVIC CENTER DRIVE | AVONDALE AZ, 85323

Request to Speak: Anyone wishing to speak regarding items listed on the agenda or under unscheduled public appearance should submit a Request to Speak online at http://www.avondaleaz.gov/requesttospeak prior to consideration of that agenda item.

REGULAR MEETING
10:30 AM

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

1. **CALL TO ORDER BY CHAIR**

2. **ROLL CALL BY THE STAFF LIAISON**

3. **UNSCHEDULED PUBLIC APPEARANCES** (Time is limited per person. Please state your name.)

4. **MINUTES**
   The Committee will consider the approval of the May 11, 2026, meeting minutes. The Committee will take appropriate action.

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

6. **AUDIT STATUS REPORT**
   The City Auditor will present an overview of ongoing projects from the approved FY2027 Audit Plan. This item is for discussion only.

7. **RECESS INTO EXECUTIVE SESSION**
   The Committee will consider a request to recess the meeting and hold an Executive Session pursuant to Ariz. Rev. Stat. § 38-431.03 (A)(9), for discussions with the City Auditor and designated city representatives regarding the information technology general controls audit report.

   Reconvene immediately following the Executive Session

8. **DISCUSSION OF AUDITS CLOSED THIS QUARTER**
   The City Auditor will present the projects from the FY2027 approved Audit Plan that were closed this quarter. This item is for discussion only.

9. **ANNUAL AUDIT PLAN / CONTINENGY AUDIT PLAN**
   The City Auditor will provide an update on the approved FY2027 Audit Plan. The Audit Committee will consider a request to recommend approval of the proposed FY2027 Contingency Audit Plan. The Committee will take appropriate action.

10. **CITY AUDITOR END OF YEAR ACTIVITIES**
    The City Auditor will provide a summary of accomplishments completed during FY2026. This item is for discussion only.

11. **ADJOURNMENT**

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1000 or TDD 623-333-0010 at least two business days prior to the meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista o oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad al 623-333-1000 o TDD 623-333-0010 al minimo dos días hábiles antes de la junta.

MINUTES OF THE AVONDALE AUDIT COMMITTEE
CITY OF AVONDALE, ARIZONA
SONORAN CONFERENCE ROOM
May 11, 2026

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 10:00 a.m.

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

**Committee Member Solorio attended virtually.*

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

Members Absent: Committee Member Pacheco.

Other Municipal Officials Present: Nicholle Harris, City Attorney; Marcella Sarmiento, City Clerk; and Emily Soria, City Clerk Specialist.

Other Officials Present: Brittney Williams, External Auditor; and Caitlin Gutierrez, Risk Advisor

Audience: No members of the public were present.

1. **CALL TO ORDER BY CHAIR**

2. **ROLL CALL BY THE STAFF LIAISON**

3. **UNSCHEDULED PUBLIC APPEARANCES**
None.

4. **MINUTES**
Chair White moved to approve the February 23, 2026 meeting minutes; Committee Member Cook seconded the motion.

Upon vote, the motion was carried unanimously 4 to 0.

Chair White	Aye
Committee Member Nielson	Aye
Committee Member Solorio	Aye
Committee Member Cook	Aye
Committee Member Corbin	Non-Voting Member
Committee Member Weatherless	Non-Voting Member

5. EXTERNAL AUDITOR UPDATE

Brittney Williams, External Auditor with HeinfeldMeech provided an overview of her firm. She also conducted a brief Annual Consolidated Financial Report update. The timeline is like last year with the Impact Fees Report added and possibly the NTD Report. Preliminary field work will begin in June, along with Federal test work.

The GASB financial reporting standard for this year is implementation of GASB 103 that takes effect in FY26. This will create a change in financial reporting. Capital Assets and Expenditures will be a major audit area due to the extensive CIPs the City has. It is unclear at this time what will be tested; however, there will be an update at the next meeting.

Ms. Williams reviewed slides that offered resources for elected officials and internal audit committee. The AICPA Government Financial Literacy program for elected officials and internal audit committees, as well as the HeinfeldMeech website that offers more information about their firm including conferences, blogs, and articles.

6. DISCUSSION OF AUDITS CLOSED THIS QUARTER

Barbara Coppage, City Auditor along with Caitlin Gutierrez, Principal, Risk Advisor with REDW presented projects from the FY2026 approved Audit Plan that were closed this quarter.

Ms. Gutierrez opened the presentation by emphasizing the importance of auditing the City’s purchasing card (P-Card) program, noting that while P-Cards provide valuable efficiency by enabling timely purchases with fewer procedural steps, they also carry inherently higher risk if controls, oversight, and monitoring are not strong. The audit focused on ensuring that internal controls were effective, purchases were authorized and appropriate, and transactions complied with City policy—which the Auditor confirmed is well-established. The review covered transactions from July 1, 2024, through December 31, 2025, including 15,279 transactions made by 245 cardholders totaling approximately $3.36 million.

The first high-risk observation related to workflow and segregation of duties. The audit sought to confirm that cardholders could not approve their own transactions; however, one instance of self-approval was identified in the sample. Due to system limitations, auditors could not fully trace historical workflow actions, but a review of system access showed that approximately 11% of cardholders had the ability to self-approve, even if they had not done so.

Recommendations included removing inappropriate access, implementing periodic monitoring to prevent reoccurrence, and reinforcing segregation-of-duties expectations through training. Management acknowledged configuration challenges but is working with IT to identify monitoring options, update training materials, and address the issue promptly, with a target completion date of May 31, 2026.

Committee Member Solorio sought clarification on whether the 29 employees with elevated access were concentrated in specific departments; Ms. Gutierrez will follow up with additional detail.

The second high-risk observation addressed compliance with P-Card policies. A sample of transactions was reviewed for documentation accuracy, timeliness of reconciliation, and adherence to policy requirements. Recommendations included reinforcing policy expectations with cardholders and approvers, providing targeted training where repeat errors occur, and strengthening Finance and Budget's second-line oversight through enhanced, risk-focused monitoring. Committee members discussed incorporating P-Card return into the City's separation checklist, and staff will determine where that responsibility should reside.

Ms. Gutierrez next reviewed the observation related to active cardholder monitoring, noting the importance of periodically confirming whether employees should retain P-Card access given the large number of cardholders citywide. The process currently relies on an annual email to departments; however, of the 19 departments contacted in 2025, only seven responded at the time of testing. Turnover in the position previously responsible for this process contributed to inconsistencies, and the email itself did not clearly communicate what information departments were expected to provide.

The issue was assessed as low risk because other controls exist, but the Auditor recommended reverting to an annual review cycle, improving the clarity of the request sent to directors, and updating policy to formally include this process.

Vice Chair Cook asked whether this was the first audit of the P-Card program; Ms. Coppage confirmed it was, and that overall results were favorable for an initial review. They discussed the high-risk observations and the importance of documentation and timely controls, asking about future audit plans. Ms. Coppage explained that P-Cards and payroll remain high-risk areas, but resource limitations make a full follow-up unlikely before the third year. Finance and IT are already working to address system-related limitations, including reporting from Munis to prevent self-approval.

Vice Chair Cook asked about sampling methodology, and Ms. Gutierrez explained that a stratified, risk-based approach was used, supplemented by attempted trend analysis, though Munis data-export limitations constrained the depth of analysis. Additional questions confirmed that the City does not maintain unassigned P-Cards for temporary use. Chair White expressed that a two- to three-year interval before the next full audit is reasonable given the time needed to update procedures, change practices, and implement system improvements, while noting that status reports and follow-up on recommendations will remain important. Ms. Gutierrez added that key-control testing could be used between full audits to monitor the highest-risk areas, such as self-approval access and ensuring cardholders are properly trained.

Barbara Coppage, City Auditor, presented the status of prior audit recommendations, that began reviewing how the risk level is assigned. The period used began February 1, 2025, through March 6, 2026, with 39 recommendations, 58 implemented or closed, 22 in progress of which six are older than 12 months. Upon checking the status this morning another recommendation was closed leaving only five older than 12 months.

She reviewed the Annual Quality Assurance Review; where she is basically auditing herself and required to provide a report to the committee on what was found.

7. AUDIT STATUS REPORT

Barbara Coppage, City Auditor, presented an overview of Audit Report Status, noting of the ten reports six have final reports issued. She noted the Overtime Analysis – Police will be completed by June 30, 2026, to be included in the peer review. The City Mangers Office asked for off duty hours to be part of the audit; however, that will be completed after June 30, 2026, as part 2. The Facilities Maintenance Audit and IT General Controls Audit were on the Contingency Plan, above what I was requested to do, and moving along well and on schedule for completion in July or August.

Ms. Coppage provided a follow-up to Vice Chair Cook's inquiry regarding follow-up on the Vendor Master File. She met with the Finance Department, reviewed the documentation, tested a sample and found it to be acceptable. The concern is only Post Office Boxes are being collected for mailing addresses instead of physical addresses. It is unclear why physical addresses were not being provided, but processes are being changed and going forward vendors must provide both a physical and mailing address.

Ms. Coppage noted the ADA Web Requirements are moving along with the assistance of the Marketing Team who created her pages.

8. CITYWIDE RISK ASSESSMENT AND ANNUAL AUDIT PLAN

Barbara Coppage, City Auditor, provided a presentation on the Citywide Risk Assessment and the Proposed Annual Audit Plan. She began with the Risk Assessment, noting she changed the terminology within the questions she asks focusing on policies and procedures, that started many conversations and provided additional information.

The Risk Assessment included sensitivity areas such as public sensitivity, mission criticality, cash handling and convertible assets, and regulatory impacts. She looks for areas that impact Council's goals, financial risks, cyber security risks, operational or public safety risks, internal control environmental risks, and reputational risks.

Ms. Coppage reviewed the proposed Audit Plan, noting the Facilities Maintenance and Information Technology General Controls audits are carryovers that are conducted at the end of the year to ensure there are always audits that are completed. The Citywide Contract Monitoring is to ensure departments are monitoring contracts and we are paying for goods and services received. Munis Roles and Responsibilities is a narrow-focused audit of access controls at the permission level. Payroll Transactions Follow-up is not only a requirement by Government standards but one she chose. IT Asset Management audit relates to hardware and software.

A contingency audit plan is proposed, should there be time to start on additional audits or determine the cost to contract with external auditors. Ms. Coppage noted the contingency plan is for the next meeting and suggested the committee would prioritize three of the five audits.

Chair White asked due to time constraints to focus the discussion and action on the FY27 Audit Plan and conduct a more robust discussion about the FY27 Contingency Plan at the next meeting. She highlighted for committee members that Citywide Other Services upon request and Required Activities are functions of the City Auditor that are automatically considered into the plan.

Chair White moved to approve the proposed Annual Audit Plan for the fiscal year 2026/2027; Committee Member Nielson seconded the motion.

Upon vote, the motion was carried unanimously 4 to 0.

Chair White	Aye
Committee Member Nielson	Aye
Committee Member Solorio	Aye
Committee Member Cook	Aye
Committee Member Corbin	Non-Voting Member
Committee Member Weatherless	Non-Voting Member

Ms. Coppage noted the next step is to bring the Audit Plan before the Mayor and City Council for approval.

Ms. Coppage commented on the Contingency Plan that was previously discussed and is also provided in the packet with additional information that allows Audit Committee members to be prepared for discussion and prioritizing three audits. In response, Chair White directed Ms. Coppage to bring these items before the Mayor and City Council to determine their priorities. Their direction should be conveyed to the Audit Committee members to allow for an informed discussion at the September meeting taking the Mayor and City Councils direction into consideration.

9. CITY AUDITOR END OF YEAR ACTIVITIES

Barbara Coppage, City Auditor advised the End of Year report is not completed; however, she intends to have it completed by June 30, 2026, and for compliance with the Peer Review. The next Audit Committee meeting items will include the End of Year Report for FY26, the Contingency Audit Plan, and the City Auditors Strategic Plan.

Future meeting dates are noted below.
- Thursday, September 3, 2026, at 10:30 a.m.
- Monday, December 7, 2026, at 3:00 p.m.

10. ADJOURNMENT

There being no further business before the Committee, Chair White moved to adjourn the Regular Meeting.

Upon vote, the motion was carried unanimously 4 to 0.

Chair White	Aye
Committee Member Nielson	Aye
Committee Member Solorio	Aye
Committee Member Cook	Aye
Committee Member Corbin	Non-Voting Member
Committee Member Weatherless	Non-Voting Member

Meeting adjourned at 11:09 a.m.