



## City Auditor FY 2024/25 Audit Plan

City Council Approved August 20, 2024

### Recurring Audits/Annual Reports

1. **FY 2023/24 External Financial/Compliance Audit (contracted)** – The City’s Charter requires the City Council to designate a CPA firm to perform an independent audit of the City’s annual financial statements, with the audit reports to be submitted to the Council. The City Auditor’s office administers the external audit firm’s contract and coordinates reports to the Audit Committee and the Council. These audits include the City’s Comprehensive Annual Financial Report; federally required Single Audit; state-required reports (Annual Expenditure Limitation Report, Highway User Revenue Fund (HURF) compliance); and the Municipal Property Corporation and Community Facilities Districts annual financial reports.
2. **Biennial Certified Audit of Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP), and Development Impact Fees (DIF) (contracted)** – State law requires this biennial certified audit to be contracted as an alternative to establishing an advisory committee. This review will cover fiscal years 2022/23 and 2023/24.
3. **Follow-up on Status of Audit Recommendations** – Review, assess and report on the status of management’s corrective actions taken in response to prior audit recommendations. This review, implemented in late 2009, is now required by City Code.
4. **Integrity Line** – Investigate tips that are received related to potential fraud, waste or abuse of City resources and annually report on the results.
5. **E-Verify Compliance** – For selected City contractors, confirm they are using the federal E-Verify program as required by state law. The City is required by state law to check its contractor compliance.
6. **Selected Information Technology (contracted)** – Using services of a contracted specialist, evaluate a selected information system, operational area, or contract.

### In Progress and Carryforward Audits from FY 2023/24

7. **Scottsdale Arts** – Evaluate contract compliance, effectiveness, and administration.
8. **Police Equitable Sharing Program Financial Reporting** - Evaluate the effectiveness of controls over the reporting of federal forfeiture funds, including the accuracy and completeness of the reported amounts.
9. **Selected Construction Contract** – This will continue the process of auditing selected construction contracts due to the large financial and operational investment they represent for the City. In progress: TGTF Construction Contract.
10. **Procurement of Construction Services** – Evaluate controls over and effectiveness of procurement processes for construction services.
11. **Fire Department Succession Planning** – Review the effectiveness of the Fire Department’s succession planning, including strategies for recruiting and training key personnel.

### **Additional Audits and Reports**

12. **Investigative Services Case Management** – Evaluate effectiveness of the department’s case management controls over police investigations.
13. **Use of Cooperative Purchasing** – Evaluate the effectiveness of management controls over the use of cooperative or other government contracts.
14. **Limited Review of DC Ranch Maintenance Costs** – Review reasonableness of proposed maintenance amounts for the DC Ranch Community Facility District.

\*Preliminary audit scope and objectives will be further refined during audit planning.

### **Contingency Audits**

1. **Potential SUSD audit** (Placeholder for potential additional intergovernmental agreement audit.)
2. **Tourism Event Funding Programs**
3. **Cash Handling Accountability**

### **Other Projects**

- **Sunset Review** support for the Audit Committee’s FY 2024/25 reviews:
  - Building Advisory Board of Appeals (August 2024)
  - Board of Adjustment (August 2024)
  - Environmental Advisory Commission (October 2024)
  - Historic Preservation Commission (January 2025)
  - Human Relations Commission (April 2025)
- **Audit Risk Assessment Model** maintenance
- **Special Requests** during the Audit Plan year
- **Contract management** (procurement of external financial audit)

*The Annual Audit Plan is subject to change based on new and emerging risks, special requests, or investigations.*