City of Tucson Independent Audit and Performance Commission

March 5, 2014

Subject: Report to Mayor and Council: Commission Activities – July through December 2013

Honorable Mayor and Council:

The attached report provides information on the City's Independent Audit and Performance Commission (IAPC) activities between July 1, 2013 and December 31, 2013. During this period the IAPC has taken the following action:

- The Commission reviewed and approved the Internal Audit Plan for FY 2014 on September 4, 2013. The Plan was subsequently approved by Mayor and Council on September 24, 2013.

- The IAPC elected officers at the September 4, 2013 meeting. Kevin Oberg was elected as Chair and David Cormier continued to serve as the Vice Chair.

- The IAPC issued a report to Mayor and Council on September 4, 2013 regarding Commission activities from January 1 through June 30, 2013.

- The Commission requested information at the October 2, 2013 IAPC meeting regarding the City's Tucson Supplemental Retirement System (TSRS). This request was based on a proposal from Vice Chair David Cormier for the Commission to review pension assumptions related to a failed pension initiative on the November 2013 ballot. Subsequently, an IAPC Pension Subcommittee was formed at the December 4, 2013 IAPC meeting.

- The Commission formed a subcommittee at the December 4, 2013 IAPC meeting in response to a request from ACM/CFO Kelly Gottschalk to review the General Services Department's Facilities and Communication Maintenance Division rates for City asset maintenance.

- The IAPC issued a report to Mayor and Council on December 24, 2013 that provided an update on its review of the Five Year Transit Financial Forecast which has not been completed. A memorandum from Budget and internal Audit Program Director Joyce Garland was included with the IAPC report. This report and memorandum are posted on the IAPC's web page and can be accessed using the following link:

A report on the period January 2014 through June 2014 will be provided to you by August 2014.

Commission members appreciate the opportunity to provide the Mayor and Council with review of relevant issues. Please contact your appointee to the Commission, or the City Manager, should you have topics you would like the Commission to review. The Commission appreciates the support of City Internal Audit Manager Jane Prior and the Audit staff.

Respectfully Submitted,

Kevin Oberg
IAPC Chair

c: Richard Miranda, City Manager
Kelly Gottschalk, Assistant City Manager/CFO
Joyce Garland, Budget and Internal Audit Program Director

Attachment:
Report to Mayor and Council: Commission Activities – July through December 2013

INDEPENDENT AUDIT AND PERFORMANCE COMMISSION REPORT ON ACTIONS AND ACTIVITIES JULY 1, 2013 THROUGH DECEMBER 31, 2013

The following is a list of Independent Audit and Performance Commission (IAPC) actions and activities, based on agenda items, from July 1, 2013 through December 31, 2013.

The Commission met monthly except for July, August and November (three times). The Transit Subcommittee met one time.

Action Taken by the Commission:

- The Commission reviewed and approved the Internal Audit Plan for FY 2014 on September 4, 2013. The Plan was subsequently approved by Mayor and Council on September 24, 2013.

- The IAPC elected officers at the September 4, 2013 meeting. Kevin Oberg was elected as Chair and David Cormier continued to serve as the Vice Chair.

- The IAPC issued a report to Mayor and Council on September 4, 2013 regarding Commission activities from January 1 through June 30, 2013.

- The Commission requested information at the October 2, 2013 IAPC meeting regarding the City's Tucson Supplemental Retirement System (TSRS). This request was based on a proposal from Vice Chair David Cormier for the Commission to review pension assumptions related to a failed pension initiative on the November 2013 ballot. Subsequently, an IAPC Pension Subcommittee was formed at the December 4, 2013 IAPC meeting.

- The Commission formed a subcommittee at the December 4, 2013 IAPC meeting in response to a request from ACM/CFO Kelly Gottschalk to review the General Services Department's Facilities and Communication Maintenance Division rates for City asset maintenance.

- The IAPC issued a report to Mayor and Council on December 24, 2013 that provided an update on its review of the Five Year Transit Financial Forecast which has not been completed. A memorandum from Budget and internal Audit Program Director Joyce Garland was included with the IAPC report. This report and memorandum are posted on the IAPC's web page and can be accessed using the following link:

  http://www.tucsonaz.gov/files/clerks/uploads/bccfiles/15086.pdf

Information Provided to the Commission:

September 4, 2013 IAPC Meeting

- **Update on November 5, 2013 General Election Ballot Initiatives**
  - a) Sustainable Retirement Benefits Act
    Doris Rentschler, Pension Analyst
  - b) Permanent Base Adjustment
    Joyce Garland, Budget and Internal Audit Program Director
  - c) Plan Tucson
    Rebecca Ruopp, Principal Planner

- **IAPC Six Month Activities Report to Mayor and Council (January-June 2013)** Jane Prior, Internal Audit Manager
- **Proposed Internal Audit Plan for FY 2014** Jane Prior, Internal Audit Manager
- **FY 2013 Internal Audit Plan Fourth Quarter Update** Jane Prior, Internal Audit Manager

October 2, 2013 IAPC Meeting

- **Update on November 5, 2013 General Election Ballot Initiatives** (Continued from the September 4, 2013 IAPC meeting.) Plan Tucson - Rebecca Ruopp, Principal Planner
- **Update on the Sustainable Retirement Benefits Act** Kevin Oberg, IAPC Chair
- **Proposed Internal Audit Plan for FY 2014** (Continued from the September 4, 2013 IAPC meeting.) Jane Prior, Internal Audit Manager
- **FY 2014 Internal Audit Plan First Quarter Update and FY 2013 Internal Audit Plan Fourth Quarter Update** (4th Quarter Update continued from the September 4, 2013 IAPC meeting.) Jane Prior, Internal Audit Manager

December 4, 2013 IAPC Meeting

- **Rates for the General Services Internal Service Fund** Ross Adelman, Facilities Administrator
- **IAPC Transit Subcommittee Update** Mark Crum, Transit Subcommittee Chair, and Subcommittee Members Kevin Oberg and David Cormier
- **IAPC Pension Review Proposal Update** David Cormier, Vice Chair