



## INDEPENDENT AUDIT AND PERFORMANCE COMMISSION (IAPC)

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### Minutes of the Wednesday, January 6, 2016 Meeting

**Location:** City Hall – 255 W. Alameda, Budget Conference Room, 4<sup>th</sup> Floor West, Tucson, AZ

**Members Present:** Jeff Singleton (Mayor); David Cormier (Ward 1); Jim Hannley (Ward 3); Kevin Oberg, Chairperson (Ward 4); Robert Clark (Ward 5)

**Commission Members Late:** Mark Crum (Ward 2)

**Members Absent:** None

**Staff:** Joyce Garland, Budget and Internal Audit Program Director; Pete Saxton, Internal Audit Manager (Ex-Officio Commission Member); Bob Kulze, Principal Auditor

**Roll Call: 3:02 P.M.** - A quorum was established.

**2. Update on Ward 6 vacancy (This item was taken out of order.)**

There was general discussion about the vacancy on the IAPC. The Commission discussed identifying a potential candidate, obtaining biographical information and forwarding that information to the Ward 6 office for the consideration of the Council Member.

**3. Staff Update (This item was taken out of order.)**

Joyce Garland, Budget and Internal Audit Program Director indicated that the staff update would be presented in combination with the Budget update later in the meeting. Noting that there are significant changes and it would be easier to understand in combination with the budget update.

Mr. Crum arrived at 3:04pm

**1. Approval of the December 2, 2015 IAPC Meeting Minutes**

It was moved by Mr. Clark, duly seconded and carried by a voice vote of 6 to 0, to approve the minutes as amended to correct the membership.

**4. Update on presentation of Cost Allocation Subcommittee Report to CWAC**

Jim Hannley gave an update, noting that the Citizens Water Advisory Committee had considered the report as presented. It was also noted that the CWAC appreciated the report as it was presented, and were satisfied with the results.

**5. Six month update on activities for the IAPC**

The six month activity report was presented and discussed. It was noted that the report is a derivative of the Commission's agenda items and minutes, as required by the Commission's bylaws. The Commission reviewed the draft report without adjustment. It was moved by Mr. Crum, duly seconded, and passed by a voice vote 6-0 to adopt and issue the six month activity report to Mayor and Council. There was some discussion about how other Boards and Commissions are fulfilling their response to the requirement to report to Mayor and Council.

**6. FY 2017 Preliminary Plans for the budget as presented to Mayor & Council**

Joyce Garland, Budget and Internal Audit Program Director, made a presentation to the Commission. The presentation was the same one that the City Manager made to Mayor and Council in December of 2015. It was noted that the contents of the presentation are available to the public and certain aspects of it have been published in the newspaper. The primary concerns of the upcoming budget are a \$40 million deficit in FY2017 which gets worse over the period being examined. The plan is to reach a balanced budget situation.

**7. FY 2016 Internal Audit Plan – Second Quarter Update**

Pete Saxton, Internal Audit Manager, noted that there had been several items worked on and completed in the second quarter. Further there has been a loss of 1 of the 3 staff members working in Internal Audit.

**8. Presentation and Discussion of Performance Auditing**

Pete Saxton, Internal Audit Manager, noted that the Commission's activities and reports are performance auditing. In addition, the Commission has a unique perspective on the activities of Boards, Committees, and Commissions; therefore, if the Mayor and Council would consider it beneficial, the Commission may develop a standard system to review the activity and costs of Boards, Committees, and Commissions. Also, it was discussed that the Commission could develop a standard system to review the activities of the City's individual departments.

**9. Call to the Audience**

There was no audience.

**10. Future Agenda Items**

The Commission discussed how it could focus its future agenda items on projects related to performance objectives rather than compliance auditing. There was some discussion of what is the definition of a performance audit and performance management is.

**Adjournment: 4:52 P.M.**