

APPROVED ON 11/13/2023



**CITY OF SCOTTSDALE
AUDIT COMMITTEE
REGULAR MEETING MINUTES**

**City Hall
Kiva Conference Room
3939 N. Drinkwater Blvd.
Scottsdale, Arizona 85251**

Monday, September 18, 2023

PRESENT: Vice Mayor Kathy Littlefield, Chair
Barry Graham, Councilmember

ABSENT: Solange Whitehead, Councilwoman

STAFF: Lai Cluff, Acting City Auditor
Elizabeth Brandt, Senior Auditor
Brad Hubert, Senior Auditor
Travis Attkisson, Senior Auditor
Shelby Trimaloff, Executive Assistant to City Auditor
Nick Molinari, Community Services Assistant Executive Director
Luis Santaella, Deputy City Attorney
Anna Berry Daniels, Senior Victim Advocate
Elle Gonzales Bland, Victim Advocate

GUESTS: Kristen Parrish, Parks and Recreation Commission Chair

CALL TO ORDER

The meeting was called to order at 4:02 p.m. A formal roll call confirmed the presence of Committee Members as noted above.

PUBLIC COMMENT

Ms. Cluff stated a request to speak on agenda Item #3 was received.

Mr. Santaella stated that an additional person was present to speak on agenda Item #3 but had not yet submitted a speaker card.

REGULAR AGENDA

1. Approval of Minutes, Regular Meeting, June 26, 2023

Chair Littlefield called for approval of the minutes.

COUNCILMEMBER GRAHAM MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING MINUTES OF JUNE 26, 2023, AS PRESENTED. CHAIR LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 2-0 WITH CHAIR LITTLEFIELD AND COUNCILMEMBER GRAHAM VOTING IN THE AFFIRMATIVE.

2. Discussion and Possible Action Regarding the Parks and Recreation Commission Sunset Review

Brad Hubert, Senior Auditor, provided an overview of the purpose of the Parks and Recreation Commission. In accordance with Resolution No. 8823, the Parks and Recreation Commission's most recent Annual Reports have been provided to the Audit Committee to review and evaluate whether the commission is serving its intended purpose and should be maintained or modified. The Audit Committee has been asked to make a recommendation to the City council whether to continue or terminate the Parks and Recreation Commission.

Kristen Parrish, Chair of the Parks and Recreation Commission, stated the Commission has been actively involved in helping to understand the scope of the 2019 bond project and made recommendations to continue with those. In addition, the Commission is actively involved with the Protect and Preserve Scottsdale Task Force. She urged the Audit Committee to recommend the continuance of the Commission, as it has been very successful and is looking forward to continuing.

Nick Molinari, Community Services Assistant Executive Director, stated the Commission advises the Parks and Recreation Department and City Council on critical matters related to the parks and facilities, such as recommending approval of the Municipal Use Master Site Plans and projects that come before the Planning Commission and City Council. He recommends maintaining the current structure of the Commission.

In response to questions from Councilmember Graham, Ms. Parrish stated the Protect and Preserve Scottsdale Task Force is under the purview of the Parks and Recreation Department. In October, they plan to make a recommendation on how the parks should be handled within the task force.

In response to questions from Councilmember Graham, Mr. Molinari stated the Bureau of Reclamation established WestWorld as a park, but it operates as a separate facility and department. A brief discussion ensued on the operation of WestWorld.

In response to questions from Councilmember Graham related to the size of the Commission in relation to the number of facilities, open space, and continued growth the Commission covers, Ms. Parrish stated the Commission works with other groups, such as the Paths and Trails Subcommittee of the Transportation Commission. Having members of the Commission sit on various subcommittees might be a way to expand the committee structure rather than

splitting up the Commission into subcommittees.

COUNCILMEMBER GRAHAM MOVED TO RECOMMEND TO CITY COUNCIL THE CONTINUANCE OF THE PARKS AND RECREATION COMMISSION. CHAIR LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 2-0 WITH CHAIR LITTLEFIELD AND COUNCILMEMBER GRAHAM VOTING IN THE AFFIRMATIVE.

3. Discussion and Possible Action Regarding Audit No. 2305, Victim Services

Public Comment:

Kristensa-Lee Forward spoke of her personal experience and support she received from Victim Services. She stated that if it had not been for Victim Services, she would not have been able to leave an abusive situation.

Madison Evans expressed her gratitude for the genuine assistance received from Victim Services that has allowed her to heal and move forward.

Staff Presentation:

Elizabeth Brandt, Senior Auditor, provided an overview of the City Attorney's Victim Services that provide legally mandated notification services and advocacy to misdemeanor crime victims in Scottsdale. They collaborate with police departments, prosecutors, and City Court to identify crime victims and provide advocacy services.

The audit objective was to evaluate Victim Services operations, such as resources, notifications, referrals and advocacy assistance provided. During audit planning, the audit scope was further refined to review of the victim notification processes. Because communication between the advocate and victim are privileged under state law, auditors did not evaluate other services that were primarily documented in advocacy communication logs.

Auditors reviewed case data for closed victim cases between July 2022 and March 2023 but due to data limitations, it was not possible to verify whether notices were sent for each court proceeding without also reviewing the case files. A sample of 24 case files were reviewed, which represents about 5% of the total cases. Auditors judgmentally selected 14 cases from those that appeared to contain data inconsistencies and 10 randomly selected cases.

The audit found that generally advocates contacted victims to inform them of their legal rights and notified them of court proceedings when requested. Some exceptions were noted where missing information delayed required notifications of court proceedings.

- Of the 24 cases reviewed, 8 had delays in the initial notifications and files did not contain preconviction rights forms from Police.
- Requiring victim signatures on these Police forms could also delay the invocation of rights.
- In 1 case, several ongoing notifications of court proceedings were not sent after the victim invoked.

- Incorrect or outdated victim contact information impacted about 20% of cases.

Additionally, system controls and automation could improve data reliability and privacy, and opportunities exist to streamline the notification process.

Recommendations from the audit include that Victim Services:

- Work with the Police Department to ensure preconviction rights forms are completed and accept unsigned requests to invoke rights.
- Work with IT staff to implement system changes for capturing advocacy activities in a manner that would allow management to routinely verify completion of required services, such as hearing notifications.
- Offer web-based options for victims to provide or update contact information and complete other victim services forms.
- Implementation of additional data validation controls.
- Work with IT staff to evaluate ways to streamline the notification process through automation to help reduce manual intervention.
- Evaluate system access to privileged information to ensure compliance with statutory requirements.

Luis Santaella, Deputy City Attorney, oversees Victim Services and emphasized the \$540,000 shoestring operating budget, which is primarily personnel services. He reported that last fiscal year Victim Services served 3,298 victims. Although management agreed with the recommendations and plans to implement them by May 1, 2024, there is a caveat. Without knowing the cost of the technology recommendations, they may not be able to be implemented timely.

Chair Littlefield stated her understanding that the biggest issue is confidentiality and the varying laws and regulations in different counties within the state. In addition, it must be a top priority to create a computer system that streamlines the process and maintains victims' confidentiality. She suggested putting something on the next budget for the Council's consideration.

In response to questions from Councilmember Graham, Mr. Santaella explained how State statutes make communication between a victim and victim service advocates privileged and there is no exception for auditors. Ms. Brandt explained how the samples were selected and how a victim receives a notification form from the police department. Mr. Santaella stated they will work with the police department on training in filing out these forms. There are also different types of victims; many are victims of domestic violence or abuse. Resources need to be prioritized while complying with victims' rights. The department does the best they can with the resources they have, but an integrated, automated, and seamless victim notification system for the police and Victim Services would be ideal. Advocates and prosecutors are now working weekends and holidays to improve the immediate outreach to victims.

COUNCILMEMBER GRAHAM MOVED TO ACCEPT AUDIT NO. 2305, VICTIM SERVICES, AS SUBMITTED. CHAIR LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 2-0 WITH CHAIR LITTLEFIELD AND COUNCILMEMBER GRAHAM VOTING IN THE AFFIRMATIVE.

4. Presentation and Discussion Regarding 1st Quarter FY 23/24 Follow-Up on Status of Audit Recommendations

Lai Cluff, Acting City Auditor, provided an update on the status of the audit recommendations. Although they are making progress, some unexpected setbacks are delaying implementation of the audit recommendations. WestWorld's progress will take bit longer because the General Manager recently retired and auditors will review the audit and current recommendations with a new General Manager once hired. WestWorld is now also under the purview of the Assistant Executive Director of Community Services. No urgent recommendations are currently pending. A brief discussion ensued regarding past presentations and recruitment.

The Fire Stations Construction Contracts audit recommendations also have not made much progress and audit will reach out to the department to discuss. An update of their action plan will be provided during next quarter's update.

The Crime Statistics Reporting audit has many recommendations in progress because they need to finish their new reporting system change to be able to complete the recommendations. They are working with DPS to certify their new system. Once that is complete, they will reassess the status of recommendations.

5. Information and Discussion Regarding City Auditor Updates

Lai Cluff, Acting City Auditor, provided City Auditor updates, noting they are wrapping up the Risk Management audit. That report and the Annual External Financial Audit will be provided at the next Audit Committee meeting. They are starting several planned audits, including E-Verify, Bridge Infrastructure Assessment and follow-up, and Library Operations. The Scottsdale Unified School District (SUSD) Compensation and Benefit Audit will begin within the next two weeks if the amendment is approved by City Council tomorrow. A kickoff meeting will be promptly scheduled with SUSD's Superintendent and District personnel. The audit will compare their established policies and procedures, general compliance of their classification of jobs, and review employment agreements and MOUs with employee associations for standard and best practice language. A brief discussion ensued.

The City Auditor's office began using their new online portal for departments to provide updates on the status of their audit recommendations. The next phase is to implement a public dashboard that allows the Audit Committee and community to look at the status of all audit recommendations. It is anticipated this will be available for the next quarterly follow-up; staff will provide an update to the Committee at that time. Additional discussion ensued regarding the importance and role of audit and audit committee.

In response to a question from Councilmember Graham regarding the Purchasing Card audit recommendations, Ms. Cluff stated there is not another staff update planned in upcoming meetings, but the latest update was included in the quarterly follow-up report. The department has made progress, but one is still pending because auditors would like to see a more efficient way of monitoring compliance.

6. Discussion and Possible Direction to Staff Regarding Potential Agenda Items for Next Audit Committee Meeting (November 13, 2023, at 2:00 p.m.)

Lai Cluff, Acting City Auditor, stated the risk management audit and the financial audit report will be presented at the meeting in November, which will be held at 2 pm because there is a Council meeting that same day.

Adjournment

With no further business to discuss, being duly moved by Councilmember Graham and seconded by Chair Littlefield, the meeting adjourned at 5:14 p.m.

SUBMITTED BY:

eScribers, LLC