

# City Auditor Department

City of Phoenix



**ANNUAL REPORT  
2024**

# FISCAL YEAR 2024

During fiscal year (FY) 2023-2024, the City Auditor Department focused on identifying and mitigating risk throughout the City. Using a risk-based approach, audit resources were allocated to high-priority projects to safeguard City resources. Within the 82 projects completed during the year, hundreds of recommendations were made to improve processes and strengthen the City's internal controls.



**Aaron Cook**  
City Auditor

## MISSION

The City Auditor Department provides independent and objective feedback to assist City management in meeting objectives, efficiently and ethically managing public assets, and reducing the organization's risks.

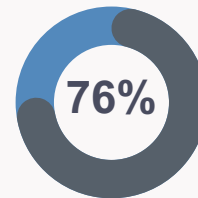
## FY24 PERFORMANCE



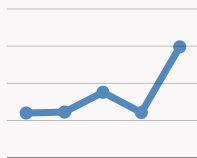
**82 Projects Completed**  
Goal: 80



**99% of Recommendations Implemented**  
Goal: 90%



**Planned Projects Completed**  
Goal 80%



**\$5.1M in Economic Impact Last 5 Years**



**79% Chargeable Hours**  
Goal: 75%



**\$2.4M in Economic Impact**  
Goal: \$500K

# NOTABLE PROJECTS

## BODY-WORN CAMERA (BWC) FOLLOW UP - Police Department

In FY24, we followed up on six high-risk prior audit recommendations from an FY22 audit and evaluated current processes.

### Prior Recommendations

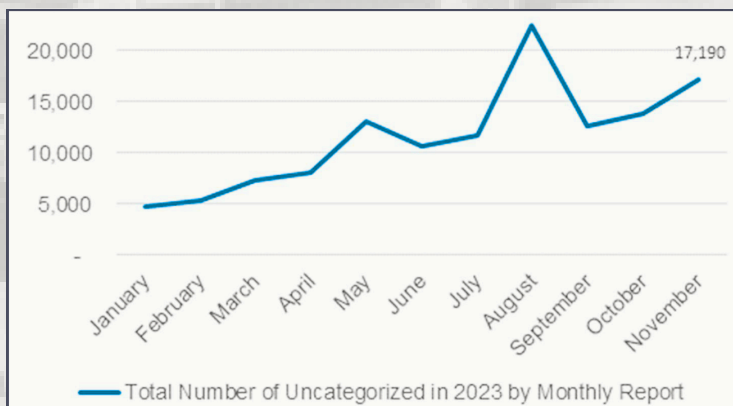
Improvements are needed to implement four of the six remaining recommendations.

### Recommendations that need to be addressed

- Categorizing videos
- Reviewing categorization accuracy
- Identifying and reporting on key performance indicators
- Creating a standardized BWC training program for detectives

### BWC Reviews

Quality Assurance Sergeants need a standardized process for determining compliance for monthly random BWC reviews.



Police had 17,190 uncategorized BWC videos in 2023

### Uncategorized Videos

Between January 1, 2023 and December 4, 2023, Police created 2,150,469 BWC videos. Of those, 17,190 videos remained uncategorized and not in compliance with policy. Accurate video categorization is essential to ensure evidence preservation.

### Power Cycling

Police should review power cycling data to determine whether officers use BWCs according to department policy.

## PRIVACY PROGRAM - Citywide

We assessed the governance of the Privacy Program to validate compliance with City policies and Arizona Revised Statutes and alignment with industry standards.

### Program Governance

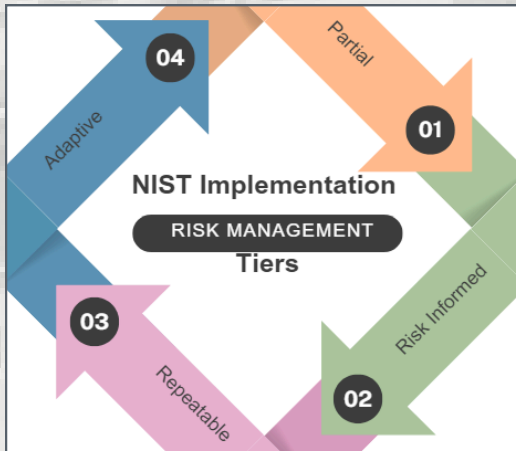
The City has made progress in identifying and addressing weaknesses in its privacy program, actively working towards compliance with policies and regulations. The National Institute of Standards & Technology (NIST) provides guidance on privacy implementation processes.

# NOTABLE PROJECTS

## PRIVACY PROGRAM - Citywide

### Risk Management Strategy

Some privacy risk management practices are in place, but updating information management plans will increase the City's understanding of privacy practices.



The City is currently working at tier 2 and moving into tier 3

### Awareness & Training

Dedicated privacy awareness training can improve employees' understanding of privacy responsibilities, particularly in departments that require specialized privacy knowledge.

## AMERICAN RESCUE PLAN ACT (ARPA) GRANT MANAGEMENT - Citywide

We evaluated the City's ARPA grant administration and other required program elements against applicable U.S. Treasury Final Rule criteria.

### Subrecipient Monitoring

While control processes for ARPA-funded programs were strong, improvements are needed in subrecipient monitoring procedures.

### Reporting Compliance

All required reporting, including the Interim Report, Project and Expenditure Reports, and Recovery Plan Performance Reports, was submitted on time in accordance with U.S. Treasury requirements.

### Program Administration

Administration controls for most ARPA programs were adequate, but some elements, such as invoice reconciliation and monitoring of administrative spending, need more frequent and thorough analysis.

\$/M	DEPARTMENT
34	Public Works
8	Community & Economic Development
7	Office of Environmental Programs
3	Office of Arts & Culture
1	Public Transit

\$53M in ARPA grant funds from five departments/offices

# NOTABLE PROJECTS

## CONTINUOUS REVIEW - Citywide

### EXPENDITURES

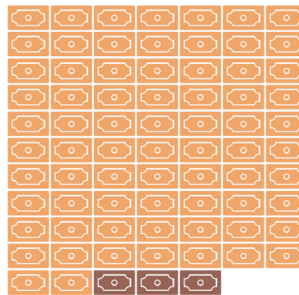
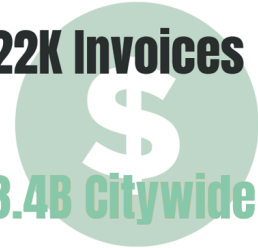
Expenditure transactions have a very high level of inherent risk. Given the complexity of the payment process, and the high volume of transactions, errors and/or fraud could lead to significant losses. We performed a variety of analyses on FY23 expenditure data, including 222K invoices totaling \$3.5B in expenditures Citywide.

#### Payments

We created a risk model to identify the riskiest transactions based on dollar amounts, check date processed on a weekend or holiday, old invoices, rounded amounts, expedited payments, duplicate transactions, and Benford's Analysis.

**222K Invoices**

**\$3.4B Citywide**

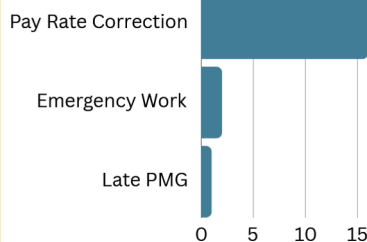


#### Payment Review

We reviewed supporting documentation for the 25 riskiest transactions, and another 50 transactions based on Benford's Law. We found adequate documentation to support expenses, except for three transactions that were low dollar or will be covered in a FY25 audit.

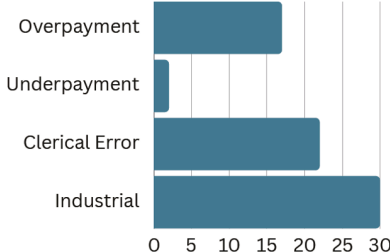
#### Gross Wage Adjustments

19 employees received adjustments greater than \$5,000 cumulative, due to late PMGs or other reasons. All adjustments were valid.



#### OT without Regular Pay

There were 129 instances of employees receiving OT without regular pay. 41 were errors, 19 resulted in \$3k. 30 instances are sworn Fire working while on Industrial Leave.

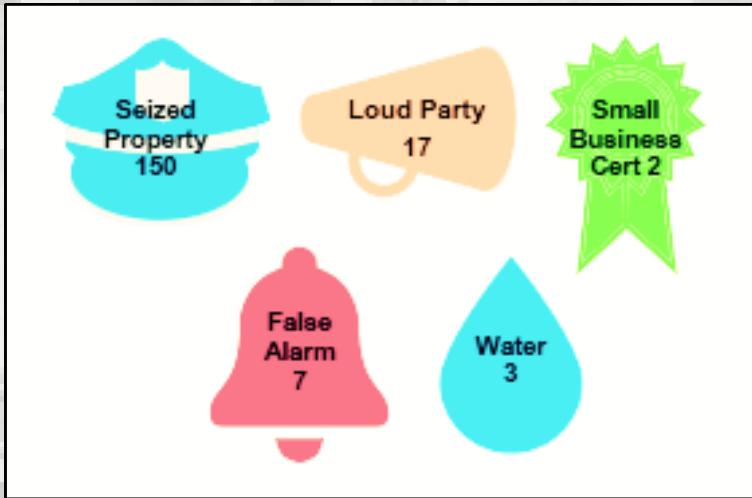


### PAYROLL

Salaries and wages are one of the City's highest expenditure line-items. The City has over 14,000 full and part-time employees, including both salaried and hourly staff. There are 26 regular pay periods per year. Many paychecks include several different pay types and must correctly account for time off, total pay, and other earned allowances, deductions, and withholdings.

# OTHER FUNCTIONS

## ADMINISTRATIVE HEARINGS

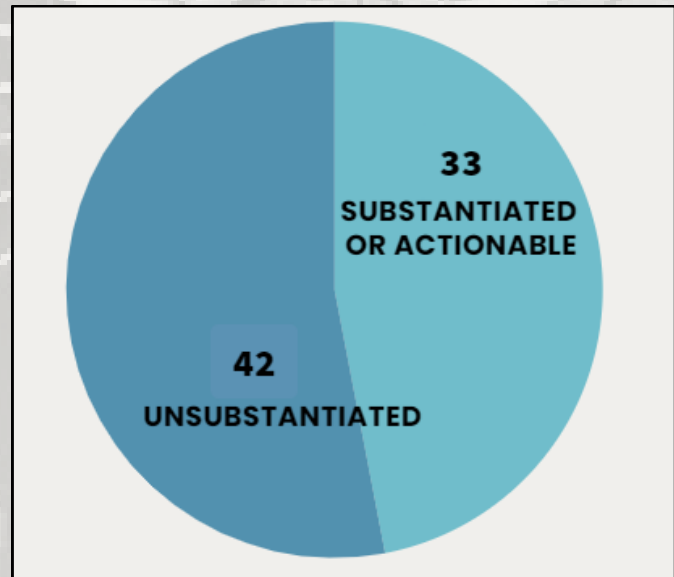


FY24 Hearings were consistent with prior years.

The Hearing Officer presides over administrative hearings between residents and other City departments. These hearings include the disposition of seized property, loud party violations, and water billing disputes. This year, the Hearing Officer conducted **179** administrative hearings, which is consistent with prior years. All rulings were issued within the time frames required by the City Code.

## FRAUD REPORTING - INTEGRITY LINE ADMINISTRATION

The Integrity Line (IL) Program provides City employees, residents, and contractors with a way to report fraud, waste, and abuse. Cases are reported via online, telephone, or email. The IL Committee (the City Auditor, City Attorney, and rotating Deputy City Managers) oversees the program. The City Auditor Department provides administrative support for the program. This year, **75** cases were closed, which is a 14% decrease from last year.



44% of the IL cases were proven or resulted in improved processes.

# OUR STAFF

The City Auditor Department employs a talented, diverse, and highly credentialed staff. During FY24, we hired two Associate Auditors, one Internal Auditor, one Sr. Internal IT Auditor, and one Sr. Internal Auditor. The Department is actively training the next generation of auditors, developing future leaders, and preserving institutional knowledge.



## ASSOCIATE AUDITORS

- Yusuf Dirow - MPA, Survey Research\*
- Sherard Medrano - JSM Tax Law\*
- Jacqueline Para - BA Communication
- Alexander Pompa - MA Applied Linguistics, BA English
- Eduardo Tirado - BS Accounting
- Cheryl Trujillo - BS Bus Admin\*

## INTERNAL AUDITORS

- Suzanne Acosta-Jovanelly - BA Psych., CFE
- Jermaine Brooks - MPA, BS Bus Admin\*
- Shaelin Charania - MBA, BS Acc, CIA,CFE
- Ashley Foose - BS Accounting, CFE\*
- Bobby Kwan - MBA. BS Finance Business Administration
- Dawnasie Martin - BS Applied Mgmt, CFE\*
- Elizabeth McMaken - MBA, BS Management
- Joyita Mekondo - MBA, BA Pol Science, CFE
- Michael Nickelsburg, PhD, MA, BA Pol Science, CFE
- Karen Tash (Retired)\*

\*Not Pictured

# OUR STAFF

## SUPPORT TEAM

- Martha Espindola, Administrative Assistant I
- Susan Mohajerin, Administrative Secretary, BA in Broadcast Journalism
- McKenna Hubbard, Audit-Intern, BS Criminology/Criminal Justice

## SENIOR INTERNAL AUDITORS

- Mahdi Lasker IT - MS Accounting, MBA, BS Business, PCI ISA
- Judith Onayemi IT - M.Sc in Law, MA Taxation, CISA, CIPT, CISM, CRISC
- Jaki Gerald IT (Retired)\*
- Jason Christ - BS Accounting, CFE
- Wendy Simeon - MPA, BS Accounting, CIA, CFE
- Ashley Willis - MPAP, MBA, BS Pol Science, CFE

## HEARING OFFICER

- Lee Martin - BA Accounting, CFE

## DEPUTY CITY AUDITORS

- Stacey Linch - MPA, BS Business Admin, CISA, PCI ISA, CIA, CFE, CRMA
- Leigh Ann Mauger - MS Accounting, BS Justice Studies, CIA, CFE
- Cristina Preciado - MBA, MS Criminal Justice, BA Sociology, CIA, CFE, CM, COSO ERM
- Ryan Richelson - BA Economics, CIA, CFE

## CITY AUDITOR

- Aaron Cook - MPA, MS Acc, BA Econ, CISA, CIA, PCI ISA, CISSP, CGAP CRMA, ABCP
- Ross Tate (Retired)

## City Auditor Department

140 North 3rd Avenue  
Phoenix, AZ 85003

602-262-6641

<https://www.phoenix.gov/auditor>

