



CITY AUDITOR'S OFFICE

# FY 2022/23 Follow Up on Status of Audit Recommendations

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June 16, 2023

REPORT NO. 2309

**CITY COUNCIL**

Mayor David D. Ortega

Tammy Caputi

Tom Durham

Barry Graham

Betty Janik

Vice Mayor Kathy Littlefield

Solange Whitehead





June 16, 2023

Honorable Mayor and Members of the City Council:

Enclosed is the *FY 2022/23 Follow Up on Status of Audit Recommendations* report, which was included on the Council-approved FY 2022/23 Audit Plan. This report presents the auditor-determined status of 165 audit recommendations from audits issued between July 2019 and May 2023. This annual report encompasses a 3-year history plus about 11 months of the current fiscal year's audit recommendations.

Overall, 96% of audit recommendations have been substantially addressed, with their status noted as implemented, in progress or partly implemented. Management action on audit recommendations has increased by almost 19 percentage points, from about 77% in the first follow up report in 2009.

The report attachments provide summarized recommendation statuses by department or division and by audit report. Detailed status reports for all audit follow-ups completed this fiscal year are also attached.

If you need additional information or have any questions, please contact me at (480) 312-7851.

Sincerely,

Lai Cluff  
Acting City Auditor



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# RESULTS

This annual *Follow Up on Status of Audit Recommendations* was included on the Council-approved FY 2022/23 Audit Plan. This annual report encompasses a 3-year history plus about 10 months of the current fiscal year, with 165 audit recommendations issued between July 1, 2019, and March 10, 2023.

## Implemented, In Progress or Partly Implemented

As shown in the graphic, for the recommendations issued this year and the last 3 fiscal years, about 67% of audit recommendations have been implemented, 11% are partly implemented, and another 18% are in progress.

**Figure 1: Implementation Status, 3-year History**

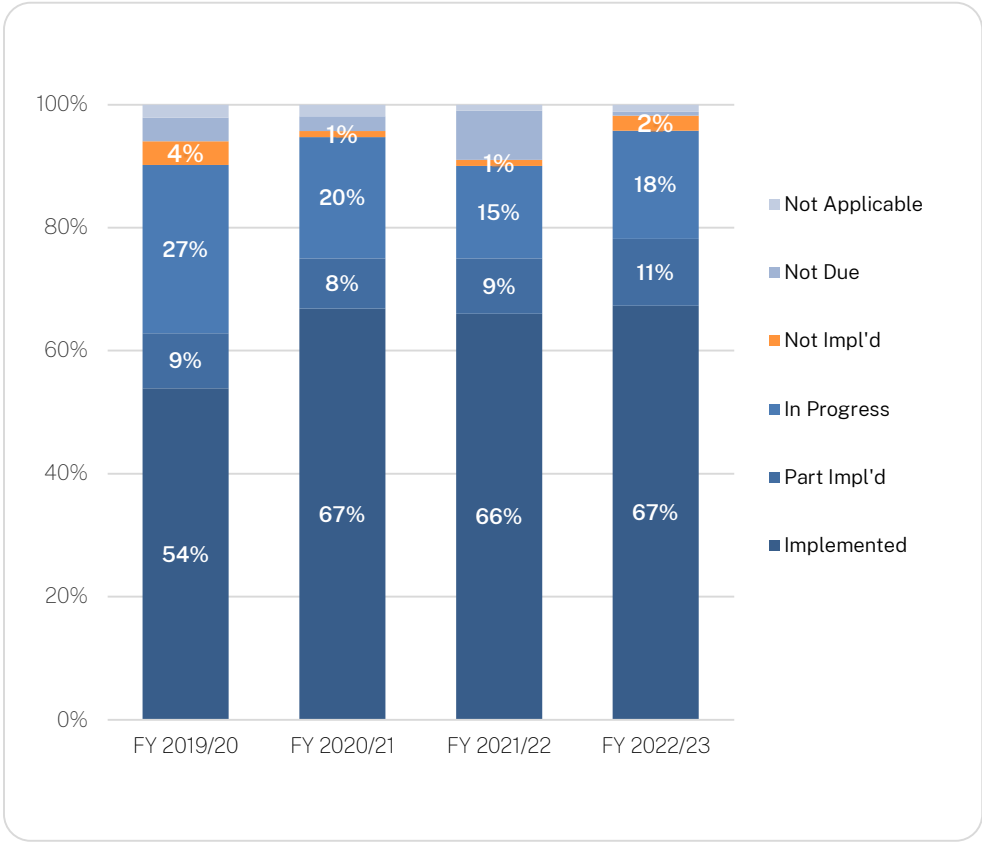
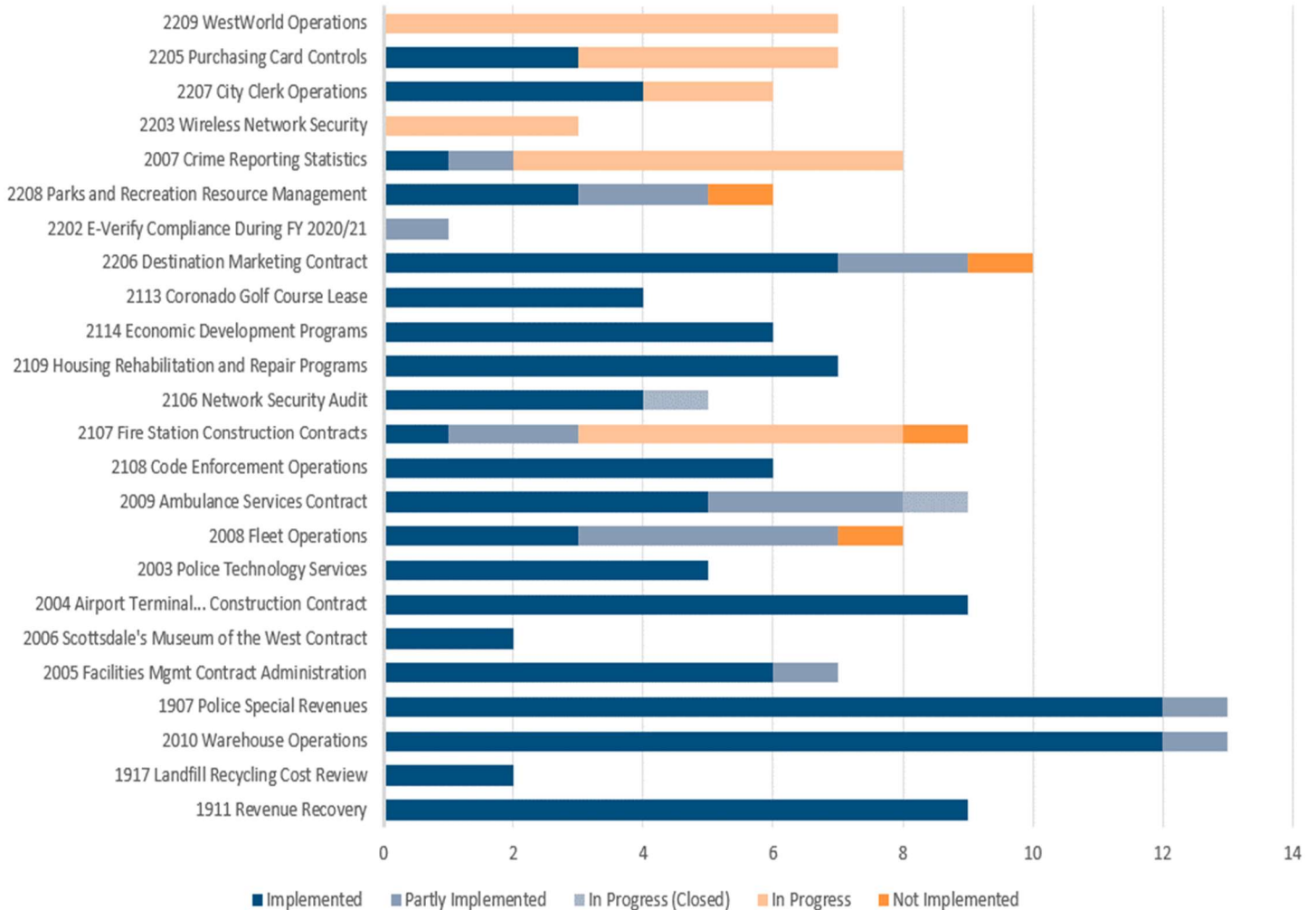


Figure 2 on page 4, provides an overview of recommendation statuses by audit, for audits completed in the current fiscal year and the three prior fiscal years.

*(continued on next page)*

**Figure 2. Recommendation Status by Audit**



**Comparison with First Follow-Up Report**

The first three categories together reflect that management is currently in some stage of implementing about 96% of audit recommendations, which is a 19-percentage point improvement over the first status report in September 2009. At that time, management was in some stage of addressing 77% of the 445 recommendations reviewed.<sup>1</sup>

As well, in September 2009, management was not implementing 8.3% of the recommendations compared to 2% currently identified as not being implemented. Attachment C lists the four recommendations with no further management action currently planned.

<sup>1</sup> The initial 2009 status review encompassed audits from the previous 5 fiscal years. Statistics in this report cover less than 4 years each (audits from the 3 preceding fiscal years plus 10 to 11 months of the current fiscal year).



## DIVISION/DEPARTMENT/OFFICE ACRONYMS USED IN ATTACHMENTS

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Acronym	Division/Department/Office *
Air	Airport
Attny	City Attorney
Auditor	City Auditor
Clerk	City Clerk
CM	City Manager
Comm	Communications
Court	City Court
CS	Community Services
EcDev	Economic Development
Fire	Fire Department
HR	Human Resources
IT	Information Technology
PlanDev	Planning & Development
Police	Police Department
Purch	Purchasing
PW	Public Works
TourEv	Tourism & Events
Trans	Transportation
Treas	City Treasurer
WR	Water Resources (Scottsdale Water)
WW	WestWorld

\* While the attachments reference “division/office,” many of these are now department names after reorganizations. For example, the Planning & Development, Economic Development, and Tourism & Events departments are currently combined into the Planning, Economic Development & Tourism Division. For continuity, the audit follow ups are tracked using the applicable names.



## REPORT ATTACHMENTS

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The following attachments are included in this report:

- A. Status summarized by [Division or Office](#).
- B. Status summarized by [Fiscal Year and Audit Report](#).
- C. Not Implemented recommendations.
- D. Detailed Status of Audit Recommendations

## Attachment A - Status by Division/Office

Division/Office	Implemented	In Progress	Part Impl'd	Not Impl'd	Not Applicable	Not Due	Total
Air	9						9
Clerk	4	2					6
CS	14		2	1			17
EcDev	6						6
Fire	5	1	3				9
IT	4	4					8
PlanDev	6						6
Police	18	6	2				26
Purch	15	4	2			1	22
PW	12	5	7	2	2		28
TourEv	9		2	1			12
Treas	9						9
WW		7					7
<b>Grand Total</b>	<b>111</b>	<b>29</b>	<b>18</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>165</b>

## Attachment B - Status by Fiscal Year

FY Published	Audit#	Audit Name	Impl'd	In Progress	Part Impl'd	Not Impl'd	Not Applicable	Not Due	Total
<b>2020</b>									
	1907	Police Special Revenues	12		1				13
	1911	Revenue Recovery	9						9
	1917	Landfill Recycling Cost Review	2				2		4
	2004	Airport Terminal Area Redevelopment Construction Contract	9						9
	2005	Facilities Management Contract Administration	6		1				7
	2006	Scottsdale's Museum of the West Contract	2						2
	2010	Warehouse Operations	12		1				13
	<b>FY Totals</b>		<b>52</b>		<b>3</b>		<b>2</b>		<b>57</b>
<b>2021</b>									
	2003	Police Technology Services	5						5
	2008	Fleet Operations	3		4	1			8
	2009	Ambulance Services Contract	5	1	3				9
	2106	Network Security Audit	4	1					5
	2107	Fire Station Construction Contracts	1	5	2	1			9
	2108	Code Enforcement Operations	6						6
	2109	Housing Rehabilitation and Repair Programs	7						7
	<b>FY Totals</b>		<b>31</b>	<b>7</b>	<b>9</b>	<b>2</b>			<b>49</b>
<b>2022</b>									
	2007	Crime Reporting Statistics	1	6	1				8
	2113	Coronado Golf Course Lease	4						4
	2114	Economic Development Programs	6						6
	2202	E-Verify Compliance During FY 2020/21			1				1
	2203	Wireless Network Security		3					3
	2206	Destination Marketing Contract	7		2	1			10
	2207	City Clerk Operations	4	2					6

## Attachment C - Status by Fiscal Year

FY Published	Audit#	Audit Name	Impl'd	In Progress	Part Impl'd	Not Impl'd	Not Applicable	Not Due	Total
	2208	Parks and Recreation Resource Management	3		2	1			6
	<b>FY Totals</b>		<b>25</b>	<b>11</b>	<b>6</b>	<b>2</b>			<b>44</b>
<b>2023</b>									
	2205	Purchasing Card Controls	3	4					7
	2209	WestWorld Operations		7					7
	2302	E-Verify Compliance During FY 2021/22						1	1
	<b>FY Totals</b>		<b>3</b>	<b>11</b>				<b>1</b>	<b>15</b>
	<b>Grand Total</b>		<b>111</b>	<b>29</b>	<b>18</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>165</b>

## Attachment C - Detail of Not Implemented Recommendations

Audit#	Audit Name	Issued	Auditor	FollowUp
Find#	Finding	Rec# Recommendation		
2008	Fleet Operations		8/7/2020	Division PW
1	Fleet Management can improve its replacement rate methodology and the accuracy and consistency of its application. Fleet Management does not consider salvage value in the calculation of replacement fees, although it receives approximately \$650,000 per year, averaging about 12% of the original vehicle costs, from auctioned vehicles.	1B	The Fleet Management Director should use historical vehicle auction proceeds to estimate vehicles' salvage values in the replacement fee calculations.	Jan 2021: The department is discussing with the Assistant City Manager, the Acting City Treasurer, and Budget its vehicle rate calculations. May 2021: The department reported that based on the vehicle rate discussion, salvage revenues will continue to be used in the Fleet Fund as overhead reimbursement rather than applied to reduce vehicle replacement rates.
2107	Fire Station Construction Contracts		3/24/2021	Division PW
1	Construction phase service contracts should be more consistently managed to minimize unnecessary costs. Including construction phase services during the initial contract negotiations may more effectively control costs and produce more transparent design costs.	1D	The Public Works Director should require CPM to evaluate the design contracting process to include construction phase services in the contract's scope of work, rather than adding it later as a change order.	Sept 2021: The City Engineer reported that CPM prefers to add the construction phase services when the design is nearly complete to ensure the design consultant has performed satisfactorily prior to awarding more work.
2206	Destination Marketing Contract		1/4/2022	Division TourEv
3	Performance monitoring activities can better ensure focus on the City's objectives and contract compliance. Despite the City providing 75% of Experience Scottsdale's total annual revenue, tourism and convention leads and sales leads are only forwarded to the organization's membership, not to other non-member hotels or businesses within the City that may be relevant.	3D	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by requiring leads be forwarded to all applicable hotels and businesses within the City, rather than just Experience Scottsdale members and prohibiting Scottsdale bed tax monies from being rebated to hotels or businesses that do not pay the City bed tax.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: These recommendations were discussed but not included in the new contract terms.

Audit#	Audit Name	Issued	Auditor FollowUp
Find#	Finding	Rec# Recommendation	
2208	Parks and Recreation Resource Management	3/24/2022	Division CS
2	ActiveNet is not configured properly to ensure correct aquatic fees are charged, and cost recovery amounts used to set rates and fees for pools and fields are not reliable. The department does not calculate full operating costs for pools and athletic fields when evaluating cost recovery rates. As well, they only analyze the few rates and fees they propose to change each year, rather than performing a comprehensive review using a cyclical approach.	2B The Parks and Recreation Director should ensure that staff calculate recovery rates used to support Council-approved rates and fees by using all relevant direct and indirect costs.	<p>July 2022: Management reported that the department is working with the division's Budget Analyst and Business Operations team to evaluate relevant direct and indirect costs for its cost recovery rates. The division will also continue to benchmark other Valley cities and, with this cost and benchmark information, will seek City Council guidance on its rates and fees. Jan 2023: The department reported staff continue working on the most effective way to evaluate and include indirect costs in a cost recovery model that reflects its resources allocated to individual fields and other resources. May 2023: The department reported that they benchmark other cities and the private sector when determining facility rental rates. An allocation method for utilities and maintenance has not been established for general sports fields and full costs have not been identified. City Financial Policy requires that rates and fees be examined periodically to determine direct and indirect costs, for Council to approve the acceptable recovery rate.</p>



## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2007	<b>Crime Reporting Statistics</b>		Issued:	4/14/2022
1A	The Police Chief should require staff to clarify reporting procedures to ensure consistency in disposition coding, eliminating other options that may lead to incorrect coding, and add quality review procedures to identify potentially incorrect or unreported offenses. Additionally, work with other jurisdictions to develop a method to communicate arrests made for each other's warrants so that NIBRS clearances are complete.	Aug 2022: The department reported that its new records management system (RMS) transition is still in progress, with on-site training starting this month. The mandatory data collection points will be incorporated into staff training. In addition, the department reported that it has presented the FBI/CJIS Advisory Policy Board with an August meeting discussion topic on warrants, arrests and communication to allow the most accurate NIBRS clearances. Jan 2023: The department is in the process of recertifying as a NIBRS agency after its transition to a new records management system. May 2023: The department continues to work with its software vendor on technical corrections to the system mapping and reporting procedures and working on recertification with the State.	In Progress	<input type="checkbox"/>
1B	The Police Chief should require staff to establish processes to routinely compare SPD incident data to data reported by DPS/NIBRS and evaluate the significance of any differences, such as unreported prior year incidents.	Aug 2022: The department reported that, after its new RMS transition and certification is completed, staff will determine a sustainable review process to compare submitted data and DPS/FBI reported data. Jan 2023: The department is in the process of recertifying as a NIBRS agency after its transition to a new records management system. After certification, the department plans to identify and implement an ongoing process to compare data. May 2023: The department reported that with the transition to the new RMS, it has been unable to upload data to the DPS repository. Once the transition process is completed, the department will evaluate submission results and identify processes to ensure accuracy and completion.	In Progress	<input type="checkbox"/>
1C	The Police Chief should require staff to complete its review of the statute mapping table and document the reasons and approvals for variances from the DPS statute list.	Aug 2022: The department reported its staff has completed several statute reviews for the new RMS and they are still making corrections and clarifications before the system goes live. Jan 2023: The department is continuing to validate data in the new records management system. May 2023: The department reported that this work continues to be in progress.	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The Police Chief should require staff to document override reasons in the case comments, including the reason for the override.	Aug 2022: The department reported its staff is documenting the override reasons in the current RMS and the new RMS will minimize the number of corrections needed. As well, the department stated the new RMS has a robust auditing system for changes. Auditors will review implementation as the new system transition is completed. Jan 2023: The department reported that it is continuing to monitor processes and determine expected procedures in the new records management system. May 2023: The department is in the process of NIBRS certification for its new RMS and will reassess override documentation requirements once that is complete.	In Progress	<input type="checkbox"/>
2A	The Police Chief should require staff to create written procedures for the quality review process.	Aug 2022: The department reported that staff will develop written quality review procedures specific to the new RMS. Jan 2023: The department reported that work continues to be in progress. May 2023: The department reported that written procedures are being continuously evaluated as they navigate the new RMS.	In Progress	<input type="checkbox"/>
2B	The Police Chief should require staff to evaluate whether the monthly review of duplicate clearances can be eliminated.	Aug 2022: The department reported staff will review the necessity of this task once the new RMS has been implemented. Jan 2023: The department reported it is working through the certification process with its new RMS. Through this process, it hopes to identify whether this monthly review for duplicate clearances is still relevant. May 2023: The department is in the process of NIBRS certification for its new RMS and will be evaluating clearance reporting.	In Progress	<input type="checkbox"/>
2C	The Police Chief should require staff to establish a UCR code change management process that includes documented requests along with review and approval of the completed change.	Aug 2022: The department reported that internal changes are now being documented through the Cherwell work order system, and a review and verification process will be incorporated. Vendor changes in the new RMS are being documented through vendor communications to the department. Jan 2023: The department is documenting the original request through the work order system, but a review and verification process has not yet been incorporated.	Part Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2D	The Police Chief should require staff to provide information on the department's website about the City's crime statistics, whether through internally developed reporting or links to state and federal crime statistics websites. Consider developing a report on current crime statistics illustrating both the previous SRS and the current NIBRS data.	Aug 2022: Auditors confirmed that the department has added links to the DPS dashboard and the FBI Crime Data Explorer on the department's Transparency and Accountability web page.	Implemented	<input checked="" type="checkbox"/>
<b>2106</b>	<b>Network Security Audit</b>		<b>Issued:</b>	<b>5/3/2021</b>
1A	The IT department should formalize configuration and hardening standards for servers and database environments.	Sept 2021: The department has created standards for configuration and hardening servers and databases.	Implemented	<input checked="" type="checkbox"/>
1B	The IT department should create a Memorandum of Understanding (MOU) between the IT department and each of the other City technology groups. The MOUs should clearly define IT and departmental roles and responsibilities to help ensure configuration standards and patching responsibilities are being followed.	Sept 2021: The department has developed a draft template. Once finalized, they will work with the department technology groups to implement. Dec 2021: The department reported that, with recent security events around the world, they are planning to enhance the current draft template before its completion and to establish the new governance framework. The department expects to complete this by March 2022. Mar 2022: The department reported that the MOU draft has been updated and is being routed through the IT management team for final review before roll-out to the city departments' Technology Partners. June 2022: The department finalized its MOU template and is working on a communications plan to deploy it to city departments.	Implemented	<input checked="" type="checkbox"/>
1C	The IT department should perform a resource needs assessment of the IT security function to help ensure it is appropriately resourced and has the required skill sets.	Sept 2021: The department is reviewing vendor options to obtain the resource needs assessment, and plans to complete this recommendation by December 31. Dec 2021: The department reported the resource needs assessment has been completed and it is working on obtaining funding for additional positions.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The IT department should prioritize completion of the disaster recovery business continuity plan and test the plan.	<p>Sept 2021: The department reported it is on track to complete this recommendation by December 31 as planned. The plan will include details about how each section needs to be tested, with a goal to test all sections at least annually. Dec 2021: The department reported 90% completion of the DR/BC plan. The target implementation date has been updated to the end of January 2022. Mar 2022: The department reported 95% of the plan is complete. The team continues documenting steps to complete the tests for each essential service, and less than a handful remain to be completed. The priority order for services to be restored is being developed. In parallel, the team is documenting Test results and failover capabilities for individual essential IT services. June 2022: The department reported its disaster recovery plan for its essential services has been completed.</p>	Implemented	<input checked="" type="checkbox"/>
2	The IT department should appropriately prioritize addressing the matters detailed in the security assessment.	<p>Sept 2021: The department reported half of the 14 items identified have been completed, and they are on track to complete as planned. Several of these will not be completed until December 2022 based on replacement timing. Dec 2021: The department reported it continues to make progress on the identified items, with two more completed. Mar 2022: The department reported that 7 items remain to complete, with 5 being actively worked on. One additional item has a potential solution identified, but the work has not yet started. June 2022: The department reported it has completed 8 of the 14 items and 5 others are in process. This action item is not expected to be completed until December 2022. Jan 2023: The department reported that it continues to work on the 5 items in process and expects to complete them by June 2023. June 2023: The department reported that they are continuing to work on 3 remaining items that are in progress. Two are expected to be completed December 2023 and the last one in December 2024.</p>	In Progress	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
<b>2107</b>	<b>Fire Station Construction Contracts</b>	<b>Issued:</b>	<b>3/24/2021</b>	
1A	The Public Works Director should require CPM to review construction phase services acquired through the Design Consultant to evaluate which services are necessary to be contracted rather than performed internally and the level of the services required. Also, establish guidelines to ensure required services are consistently covered from project to project.	Sept 2021: The City Engineer reported that he is working on developing a list of services that can be used as a template when acquiring design services. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer reported that she will prepare a template to serve as a guide when acquiring construction phase services. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported.	In Progress	<input type="checkbox"/>
1B	The Public Works Director should require CPM to ensure the scope of work described in change orders is consistent with the supporting details.	Sept 2021: The City Engineer reported his staff has been reminded to ensure the change order description is consistent with the scope of work. Also, he reported he is reviewing change orders for completeness and accuracy, and staff procedures are being updated. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to procure construction phase services with a change order to the existing design contract and to accurately describe the scope of work being added. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer provided direction to project management staff that change orders should accurately describe the scope of work being added.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Public Works Director should require CPM to revise department policies and procedures to align with Procurement Code requirements for the authorization of large change orders and clarify policies to ensure contracts are not split to avoid requirements.	Sept 2021: The City Engineer reported that procurement policies have been reviewed and are expected to be updated by the Purchasing department. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will follow up with the Purchasing Director on the Procurement Code requirements. Jan 2023: The City Engineer reported they are working with Purchasing and the City Attorney's office on this Procurement Code requirement. Feb 2023: The City Engineer provided an executed memorandum from the City Manager delegating signature authority for large design and construction change orders requiring his approval by Procurement Code. This authority was delegated to the Public Works Director.	Part Impl'd	<input checked="" type="checkbox"/>
1D	The Public Works Director should require CPM to evaluate the design contracting process to include construction phase services in the contract's scope of work, rather than adding it later as a change order.	Sept 2021: The City Engineer reported that CPM prefers to add the construction phase services when the design is nearly complete to ensure the design consultant has performed satisfactorily prior to awarding more work.	Not Impl'd	<input checked="" type="checkbox"/>
2A	The Public Works Director should require CPM to establish approval and communication procedures for change orders funded by force account or contingency funds. Also, work with Purchasing and the City Attorney's Office to clarify contract language to define the term "force account" along with its allowable uses and to limit allowable change order add-ons.	Sept 2021: The City Engineer reported the department is working with the City Attorney's office and Purchasing to update contract templates to include a definition of a City contingency or Force Account. He also noted procedures have not yet been updated to cover changes funded by the Force Account or contingency funds. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will develop a procedure for applying force account funds. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported.	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Public Works Director should require CPM to establish department policies and procedures to ensure substantial completion contractual requirements are consistently applied and evaluate whether adjustments to contractual requirements may be needed.	Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to complete the substantial completion certificates at the appropriate time during construction. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer directed staff via email communications that Substantial Completion forms must be completed by Construction Administration and submitted to project management staff for issuance to the contractor. Policies and procedures relating to substantial completion continue to be under review and have not yet been updated.	In Progress	<input type="checkbox"/>
2C	The Public Works Director should require CPM to establish policies and procedures for project managers to document causes for delays as they occur, including communications with the contractor regarding the causes and length of delays.	Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will instruct staff to properly document contract time extensions. Jan 2023: The City Engineer reported this is still in process. May 2023: The City Engineer directed project management staff to notify the contractor in writing as projects approach the end of the contract time, and require any time extension requests to be submitted in writing and formally approved or rejected by Construction Administration staff. Policies and procedures have not yet been updated.	Part Impl'd	<input checked="" type="checkbox"/>
2D	The Public Works Director should require CPM to clarify and/or enforce policies and procedures related to the design process, including monitoring deadlines and tracking review comments.	Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will review this finding further for clarification and action. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported.	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2E	The Public Works Director should require CPM to update department policies and procedures clarifying records retention requirements and establishing quality control steps to ensure project files are complete at project closeout.	Sept 2021: The City Engineer reported the department is working to update its procedures. Mar 2022: The new City Engineer reported that she is reviewing the audit's recommendations to determine the next steps. June 2022: The department reported the status remains the same as in March. Oct 2022: The City Engineer will review this finding further for clarification and action. Jan 2023: The City Engineer reported this is still in process. May 2023: No changes were reported.	In Progress	<input type="checkbox"/>
<b>2109</b>	<b>Housing Rehabilitation and Repair Programs</b>	<b>Issued:</b>	<b>6/11/2021</b>	
1A	The Community Assistance Manager should update the program's evaluation measures and checklists to better align with the program guidelines and ensure the work performed is based on these assessments.	Sept 2021: The department reported staff revised the program standards and checklists to align with the program guidelines. Also, a new inspection sheet, checklist and standards were developed. These revised documents were in draft form for review and approval of the Community Assistance Manager. Auditors will review the approved forms for the next quarterly update. Dec 2021: The Community Assistance Manager has approved the revised forms.	Implemented	<input checked="" type="checkbox"/>
1B	The Community Assistance Manager should evaluate the Green Housing Rehabilitation wait list version control method and establish safeguards to protect the list's integrity.	Sept 2021: The department reported the Community Assistance Office drafted a solicitation for software to assist with monitoring program compliance and waitlists, including federal requirements. Staff is working with Purchasing to release the solicitation and complete the procurement. Dec 2021: The department reported it has observed several software demonstrations and the solicitation opened on January 6 and will close on February 3. After a selection, software implementation is anticipated to start in April 2022. June 2022: The department selected software and established a contract. Implementation is anticipated to be complete in early August 2022. Aug 2022: The department now expects to complete the software implementation in mid-September. Jan 2023: The department reported the software implementation went live on September 29. The waitlist could be entered with timestamps to retain their date order and new applicants will also be timestamped as entered.	Implemented	<input checked="" type="checkbox"/>



## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Community Assistance Manager should consult with the City's Purchasing Director on methods to optimize the housing rehabilitation and repair programs' procurement processes, such as using the department's webpages to advertise projects.	Sept 2021: The department reported that staff received training from the Purchasing department on the City's procurement code and processes and how federal regulations apply to specific projects. They plan to link the program's Rehabilitation program webpage to the City's solicitation webpage to further advertise projects. Auditors will review this implementation for the next quarterly status update. Dec 2021: The department has linked its project webpages to the Purchasing department's solicitation page. As well, it is creating links to provide information on how to become a contractor and requirements to be a competitive applicant/bidder. June 2022: The department has completed its webpage links and information for prospective contractors at <a href="http://www.scottsdaleaz.gov/human-services/cdbg-home">www.scottsdaleaz.gov/human-services/cdbg-home</a>	Implemented	<input checked="" type="checkbox"/>
2B	The Community Assistance Manager should ensure staff does not inform potential contractors when the Direct Select method is being used for a project.	Sept 2021: The department reported the Community Assistance Office no longer informs the contractor when the direct select method is being used. Also, Purchasing is assisting with a draft solicitation to procure contractors for emergency and roof repairs to better optimize an open and competitive bid process. Dec 2021: The department reported the formal solicitation was completed for on-call contractors and they plan to use another solicitation for general contractor services to have access to all trades for needed repairs.	Implemented	<input checked="" type="checkbox"/>
2C	The Community Assistance Manager should ensure staff analyzes a change order's scope of work to ensure it does not duplicate the project's initial scope of work.	Sept 2021: The department reported the Community Assistance Office is implementing a two-tier approval process for change order requests to ensure checks and balances and avoid duplication of work and overpayment. Auditors will review this process and its implementation for the next status update. Dec 2021: The department reported there has only been one change order since the approval process was implemented.	Implemented	<input checked="" type="checkbox"/>
2D	The Community Assistance Manager should evaluate the contractor renewal process for relevance and efficiency and then ensure staff follows up on incomplete forms before approving contractors for the program.	Sept 2021: The department reported the Community Assistance Office is updating the new contractor application and creating a new contractor renewal form to address the concern. Auditors will review the new forms for the next status update. Dec 2021: Auditors reviewed the new forms.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3	The Community Assistance Manager should work with the City's Office of Communications to improve the program's awareness campaign.	<p>Sept 2021: The department reported that its brochures have been updated and placed at the Granite Reef Senior Center, Vista Del Camino, One Civic Center and will be placed in City libraries and utility bills. Community Assistance Office staff presented information on all three programs to Senior Centers' staff, and is attending events, like Coffee with the Community at the Paiute Neighborhood Center, to increase program awareness. Further, the brochure will be translated into Spanish to reach a more diverse audience. Auditors will review implementation of these changes for the next status update.</p> <p>Dec 2021: The department reported that these efforts are continuing. June 2022: The department has created and is distributing promotional brochures in English and Spanish. Starting June 1, the department is also beginning to share the information on its social media channels.</p>	Implemented	<input checked="" type="checkbox"/>

2113	Coronado Golf Course Lease	Issued:	1/11/2022
1	The Parks and Recreation Director should ensure that the contract administrator works with the City Attorney's Office to identify appropriate contract remedies to obtain compliance from the golf course operator for the past-due rent payments, any required reporting and disclosures, and any future safety and maintenance issues.	<p>June 2022: The department reported that they are working with the City Attorney's office, the operator, and the operator's legal counsel on a new draft agreement. They have also billed for the overdue lease payment, which has not yet been paid. They plan to pursue appropriate contract remedies to obtain contractual compliance. Aug 2022: This month, the operator paid \$32,560 to the City, indicating this represents amounts due for 2021 and the first 6 months of 2022. However, the department continues to request the operator file the required revenue reports that are supposed to accompany the contractual payments. Jan 2023: The operator has filed revenue reports listing the number of rounds and sales, and paid the City for the second half of 2022.</p>	Implemented <input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Parks and Recreation Director should ensure that the contract administrator documents decisions and actions related to contract performance and operations and retains these in the contract file.	June 2022: The department reported working closely with the Real Estate office and Code Enforcement to develop a more organized and effective method for shared documentation and contract file management related to interdepartmental communications with the operator. Aug 2022: The department reported its organization project continues - for this contract and for department contracts in general. The contract filing and organization method will include file-naming conventions for consistency. Jan 2023: The department reported it has gathered documents that were not in the file and has discussed with the Code Enforcement department to notify them in the event of future violations.	Implemented	<input checked="" type="checkbox"/>
2B	The Parks and Recreation Director should ensure that the contract administrator creates a checklist to better ensure that all necessary documents are maintained in the contract file.	June 2022: The department reported that the contract administrator is working on a checklist to better ensure necessary documents are maintained in the contract file, including insurance certificates, contracts, and other documents. Aug 2022: The department reported its organization project continues - for this contract and for department contracts in general. Jan 2023: The department reported the checklist is still being developed. May 2023: The department has created a SharePoint page to organize contract files and established folders and sub-folders to help identify the type of documentation needed to be retained. In place of a checklist, the department has created specific folders for this contract that address the areas of concern identified in the audit.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2C	The Parks and Recreation Director should ensure that the contract administrator develops an effective organization system, including a file-naming convention, for the contract file.	<p>June 2022: The department reported the contract administrator is using auditor-provided examples to develop a more effective, organized system for the contract file. As well, the contract administrator is working with Real Estate and Code Enforcement to improve tracking of interdepartmental communication with the operator. Aug 2022: The department reported its organization project continues - for this contract and for department contracts in general. Jan 2023: The department is considering using Sharepoint to store the contract and associated documents for ease of reference. For now, the documents are being scanned into a network folder. May 2023: The department has created a SharePoint page to organize contract files and established folders and sub-folders to help identify the type of documentation needed to be retained.</p>	Implemented	<input checked="" type="checkbox"/>
<b>2202</b>	<b>E-Verify Compliance During FY 2020/21</b>		<b>Issued:</b>	<b>3/21/2022</b>
1	The Purchasing Department should work with the applicable Contract Administrators and the City Attorney's Office to follow up with the subcontractors that did not provide E-Verify documentation during the audit.	<p>Aug 2022: The department reported the follow up efforts are expected to be completed by the end of this calendar year. Procurement staff will coordinate with the applicable contract administrators and the City Attorney's office. Jan 2023: The department reported that, due to a 100% turnover in the staff assigned to this task, the work was not completed. This will be reassigned to the new staff during the next few months. May 2023: The purchasing department reported that further requests were not issued as the contracts have concluded. To promote future compliance, the department has updated guidance to contract administrators and contractors, reminding them of E-Verify requirements and that they are also applicable to subcontractors.</p>	Part Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
<b>2203</b>	<b>Wireless Network Security</b>		<b>Issued:</b>	<b>6/10/2022</b>
1A	The IT department should formalize the wireless network's hardening standards, including minimum acceptable encryption protocols, ports and services, event logging and retention, and patching and vulnerability management. As well, establish a log retention period and annually review and update policies and procedures.	Aug 2022: The department reported they have scheduled standards review meetings to begin documenting formal hardening standards and an enterprise wireless configuration policy. Jan 2023: The department reported it is continuing to formalize hardening standards and expect its completion by June 2023. May 2023: A draft policy, which includes hardening standards, is being reviewed and refined by the department. It expects this work to be completed by June 30, 2023.	In Progress	<input type="checkbox"/>
1B	The IT department should clarify and refine the definitions and policies for enterprise and "public" wireless networks.	Aug 2022: The department reported that these areas will be included in the configuration policy being developed as noted in response to 1A. Jan 2023: The department reported that this work continues and is expected to be completed by June 2023. May 2023: A draft policy for Enterprise and "public" wireless networks is being reviewed and refined by the department. It expects this work to be completed by June 30, 2023.	In Progress	<input type="checkbox"/>
2	The IT department should implement the technical improvements recommended in the BerryDunn detailed report.	Aug 2022: The department reported it has reduced the number of SSIDs and is not reusing passphrases between SSIDs. The department will be reviewing the business justifications of existing enterprise wireless and developing a process for new requests. Further technical improvements will be encompassed in the configuration policy noted in response to 1A. Jan 2023: The department reported this work remains in process and is expected to be completed by December 2023. May 2023: The department reported that this work continues and is still expected to be completed by December 2023.	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2205	<b>Purchasing Card Controls</b>		Issued:	8/19/2022
1A	The Purchasing Director should ensure program expectations are consistently communicated and enforced so that P-card purchases are adequately documented. Evaluate whether uploading receipts into the purchasing card system may facilitate documentation submission and review.	Jan 2023: The Purchasing director reported he has met with department directors to communicate the audit findings and program expectations. In-person training was provided to cardholders with repeat noncompliance. The department continues to evaluate the option for uploaded receipts to the Procard system. May 2023: Meetings were held between the Purchasing Director and department directors to discuss Purchasing Card program expectations. After reaching out to the provider to further review the receipt upload functionality, the department decided not to use this feature because of concerns related to document retention and reliance on cardholder access to devices for scanning and uploading the receipts.	Implemented	<input checked="" type="checkbox"/>
1B	The Purchasing Director should enforce documentation and review requirements, including escalating to card suspension or termination based on policy. Evaluate ways to make the monthly compliance monitoring more accurate, efficient, and timely by automating the process as much as possible.	Jan 2023: The Purchasing department refined and continues to improve its tracking tools to monitor P-card compliance. They have followed up on any still-missing documentation identified during the audit. As well, the department reported it has increased notifications to approvers, mandated training, and suspended several accounts. May 2023: The department has updated its tracking spreadsheet to make it easier to view trends over time and clarified its non-compliance codes; however, the log still lacks process automation to improve accuracy and efficiency. Additional improvements are on hold at this time due to vacancy in their technology position.	In Progress	<input type="checkbox"/>
1C	The Purchasing Director should enforce review deadlines for supervisory reviews and identify and address noncompliance.	Jan 2023: The Purchasing department reported it is monitoring supervisory reviews and investigating options for additional AR 220 guidelines for cardholder approvers. May 2023: The department is running a report of late electronic approvals in the P-Card system to monitor supervisory reviews. Supervisors with late approvals are notified via email; however, there is no escalation policy related to recurring issues.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Purchasing Director should establish procedures for promptly deactivating P-cards and verifying that all necessary documentation has been received when a cardholder leaves city employment or transfers to another department.	Jan 2023: The Purchasing department reported it is monitoring retirement and resignation notices provided by the HR department and contacting the cardholder to schedule the deactivation. The department is looking into notification procedures for internal transfers and involuntary separations. May 2023: Notification of internal transfers and involuntary separations continues to be under review.	In Progress	<input type="checkbox"/>
2B	The Purchasing Director should monitor compliance with annual training requirements.	Jan 2023: To facilitate its tracking of training completion, the Purchasing department has adjusted all P-card training to have the same annual expiration date (February) rather than on the various cardholders' anniversary dates.	Implemented	<input checked="" type="checkbox"/>
2C	The Purchasing Director should promptly deactivate user access to the purchasing card system when they are no longer authorized and ensure system access limits administrative-level access to the fewest users that is operationally feasible.	Jan 2023: During the audit, the Purchasing department completed its review of access rights and made modifications to the number of users with administrative-level access. It plans to continue this review quarterly. The department is looking into system access deactivation when a user leaves the City as this may remain active even when the P-card has been closed. May 2023: Auditors will review procedures for deactivating user access when these are available.	In Progress	<input type="checkbox"/>
2D	The Purchasing Director should annually review P-cards with little or no use, asking departments to evaluate whether there is a continuing need or a feasible alternative solution.	Jan 2023: The Purchasing department reported that, along with training requirements, this will be reviewed with the departments annually in February. Auditors will review this process in the next follow-up. May 2023: This review has not yet been completed. The department expects it will be completed at the end of the fiscal year.	In Progress	<input type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2206	<b>Destination Marketing Contract</b>	<b>Issued:</b>	<b>1/4/2022</b>	
1A	<p>The Contract Administrator should address the following in the City's destination marketing contract: Require a full accounting of City bed tax monies, including any unused monies remaining at year end, through annual budgets and other required financial reports. One alternative for achieving this is to require City-funded revenues and expenses to be tracked separately, allocating to the City only a proportionate share of the destination marketing expenses that are not funded by other restricted revenues.</p>	<p>June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The approved Contract No. 2022-054-COS section 4.1.4. includes a requirement to disclose any carryover funds to be used the next fiscal year in the proposed budget. The contract budget form in Exhibit E will provide sufficient detail to evaluate the use of City funds in proportion to other revenue sources and uses. As well, the new contract continues the requirement to submit the organization's annual financial audit report.</p>	Implemented	<input checked="" type="checkbox"/>
1B	<p>The Contract Administrator should address the following in the City's destination marketing contract: Establish a City contingency or reserve funding limit and either require excess funds be specifically reallocated to program expenses or returned to the City to be held in reserve for destination marketing purposes. Also, develop or require budget forms that are consistent with the categories used in the audited annual financial statements and include at least one prior year's actual results, along with the applicable beginning and ending balances.</p>	<p>June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The City Council approved creation of a new city reserve equal to 5% of the bed tax funds collected, with the new contract providing 45% of the bed tax funds to the destination marketing organization. The city's reserve fund will be used for destination marketing purposes. Further, the adopted budget form (Exhibit E) is consistent with the annual financial statement categories and requires disclosure of beginning and ending balances.</p>	Implemented	<input checked="" type="checkbox"/>
1C	<p>The Contract Administrator should address the following in the City's destination marketing contract: Establish a fee method that is more closely aligned with the purchased destination marketing services, such as using a sliding scale of bed tax revenues or a fixed contract amount. In addition, require the contractor to provide advertising services and marketing materials at no additional cost to the relevant City departments.</p>	<p>June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The new contract established the destination marketing fee at 45% of bed tax funds (plus the separate Fiesta Bowl contract), requires no-cost maps and brochures in an amount up to 10% of its related printing budget, and includes advertising services up to specified amounts for Old Town Scottsdale and other City-owned special events or venues.</p>	Implemented	<input checked="" type="checkbox"/>



## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The Contract Administrator should address the following in the City's destination marketing contract: Add a contract term to establish ownership of intellectual property and work products funded with City bed tax.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The new contract includes an intellectual property clause requiring the City to obtain written consent from each of the organization's members to acquire, at its cost, intellectual property created pursuant to the contract.	Part Impl'd	<input checked="" type="checkbox"/>
2A	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by adjusting the non-program expense reporting requirement to be calculated based on audited financial statement functional expense categories.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The new contract requires the organization to keep its nonprogram costs at or below 20% and in all events below 23% unless extenuating market conditions dictate otherwise. The calculation is to be based on the audited annual financial statement categories.	Implemented	<input checked="" type="checkbox"/>
2B	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by adopting a performance standard and/or contract requirement to monitor the effect of executive compensation and limit administrative costs paid by the City's bed tax monies.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The new contract requires the organization to keep its nonprogram costs at or below 20% and in all events below 23% unless extenuating market conditions dictate otherwise. The calculation is to be based on the audited annual financial statement categories.	Implemented	<input checked="" type="checkbox"/>
3A	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by requiring destination marketing performance standards based on the City's contract objectives, marketing priorities and historical performance.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The Contract Administrator reported using the Destinations International handbook as a guide when negotiating performance standards and marketing terms that were considered relevant. The new contract requires the organizations to make reasonable efforts to receive accreditation from Destinations International, but failure is not considered a default under the contract terms.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3B	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by requiring or regularly obtaining advertising effectiveness studies.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The new contract requires an advertising effectiveness study at the City's sole cost. The study is expected to be completed during this fiscal year 2022/23. February 2023: The Tourism department has contracted with Longwoods International to produce an advertising effectiveness study that is expected to be completed in the last quarter of FY 2022/23.	Part Impl'd	<input checked="" type="checkbox"/>
3C	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by ensuring the contractor adopts relevant performance standards and definitions from the Destinations International Standard DMO Performance Reporting handbook.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: The department reported the new contract incorporates performance standards and marketing activities that were updated using the Destinations International performance reporting handbook as a guide. The additional selected measures improve the performance standards, though others may better measure marketing effectiveness, such as number of "booked" rooms rather than leads.	Implemented	<input checked="" type="checkbox"/>
3D	The Contract Administrator should strengthen fiscal monitoring over the use of City bed tax monies by requiring leads be forwarded to all applicable hotels and businesses within the City, rather than just Experience Scottsdale members and prohibiting Scottsdale bed tax monies from being rebated to hotels or businesses that do not pay the City bed tax.	June 2022: The department reported that the City Manager has provided direction and the audit recommendations are being considered as part of the new agreement. The draft contract is expected to be submitted for City Council review and possible action on June 21, 2022. Sept 2022: These recommendations were discussed but not included in the new contract terms.	Not Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2207	City Clerk Operations	Issued:	6/15/2022	
1A	<p>The City Clerk should develop a records management training program that includes in-person and computer-based training options and provide the training to, at a minimum, the departmental Records Coordinators and other staff with records management responsibilities. As well, the training program should address how to apply requirements to electronic documents, such as those in the City's document management system.</p>	<p>Sept 2022: The City Clerk's office reported that a revised training program is being developed that will include an in-depth, in-person component to be conducted at least twice yearly. One component will address records management in the City's document management system. This training is scheduled to be implemented by December 2022. Additionally, a computer-based training option will be developed to provide a high-level overview of records management functions and responsibilities. This option is planned to be implemented by March 2023. Jan 2023: The City Clerk reported that this work is still underway, and they met with the HR department to plan how to implement the training through Scottsdale University, the online training management system. May 2023: An in-person training has been developed and provided to the City's Records Coordinators. A 30-minute computer-based training has also been created, and the department is working with HR and IT to test the presentation before rolling it out.</p>	In Progress	<input type="checkbox"/>
1B	<p>The City Clerk should create a process to ensure annual or biannual reviews of Records Inventories, including tracking review request dates, responses, and date the inventory was last reviewed. Also, ensure the records inventories are reviewed for accuracy and to address any discrepancies with State Library retention requirements.</p>	<p>Sept 2022: The City Clerk's office reported that records inventories are being reviewed to ensure compliance with State Library retention requirements. Besides noting a Last Updated date when changes are made, the City Clerk staff will be noting a Last Reviewed date when an inventory is reviewed but not changed. This process is planned to be implemented by December 2022. Auditors observed that recent review dates were not yet noted on Sharepoint inventory documents. Jan 2023: Auditors verified that the update and review information is now being captured in the most recently available records inventory documents.</p>	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The City Clerk should require the Records Manager to contact departments that do not submit Certificates of Records Destruction at least annually to determine if additional guidance is needed. Also, review the submitted certificates for accuracy before filing them with the state. Further, consider creating a City form to collect the required record destruction data or attaching Scottsdale-specific instructions to the State Library form to clarify the process to be followed.	Sept 2022: The City Clerk's office developed an instructional cover page with guidance on how to correctly fill out the destruction request documents. Additionally, the office reported they are reviewing all destruction requests to ensure the forms are correctly filled out and the retention period has been met. Further, by January 2023, they will follow up on an annual basis with any departments not submitting destruction requests. Jan 2023: The City Clerk reported that in January 2023, they emailed departments that had not submitted destruction requests in the last 12 months. He provided an example email, which included the requirements and illustrated where to find the form and submit it.	Implemented	<input checked="" type="checkbox"/>
1D	The City Clerk should resume records inspections and update the Records Inspection Report form to include offsite records storage and electronic records management.	Sept 2022: The City Clerk's office reported that the inspection report form was updated to include offsite records storage and electronic records management. Also, records inspections resumed in August 2022. Auditors reviewed one of the recent inspection reports.	Implemented	<input checked="" type="checkbox"/>
1E	The City Clerk should collaborate with Information Technology to automate, where feasible, the key tasks required for timely, accurate and compliant records management.	Sept 2022: The City Clerk's office reported that they are working with Information Technology staff to create an online solution where Records Officer information can be stored and records destruction requests submitted. This portal has been developed and is being tested. They anticipate implementation by February 2023. Jan 2023: The City Clerk reported that the online portal was implemented in November 2022. Only the designated Records Officers will have access to the portal, so the departments will need to update the Clerk's office when their records coordinator changes. Auditors reviewed the communication of the new process sent to the records coordinators.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2	The City Clerk should consider providing on-demand computer-based trainings for Board and Commission staff liaisons as an alternative or supplement to the current individual training.	Sept 2022: The City Clerk's office reported that in-person and virtual training sessions are currently held to review items related to AR 121 Legal Postings and the Open Meeting Law. Additionally, by February 2023, a computer-based training option will be developed to provide a high-level overview of board and commission functions and responsibilities. Jan 2023: The City Clerk reported this work is still underway and expected to be completed in March 2023. May 2023: A computer-based training for board and commission liaisons is being developed.	In Progress	<input type="checkbox"/>
<b>2208</b>	<b>Parks and Recreation Resource Management</b>		<b>Issued:</b>	<b>3/24/2022</b>
1A	The Parks and Recreation Director should require staff to standardize practices among the various user groups that use ActiveNet to schedule fields. Specifically, Parks and Recreation should standardize how staff indicates hours of operations and closures, review the set-up time practices for necessity, and ensure accurate recording of maintenance hours.	July 2022: Management reported staff have been working to standardize practices among the various groups that use ActiveNet to reserve fields. The Scottsdale Sports Complex and Bell94 staff have implemented recording maintenance bookings, closures, and other non-use times consistent with other department staff. They also reported changes made to facility availability, and that they are planning to standardize sports field turf rest and recovery practices, along with a strategy for public communication. Auditors reviewed a July ActiveNet reservation report and noted examples of summer maintenance and a parking closure recorded. Jan 2023: Auditors reviewed a December 2022 and January 2023 ActiveNet reservation report and verified field and pool reservations were being reserved in a consistent manner. In addition, the department reported staff have standardized the language and processes being used for recording maintenance bookings, set-up times, and rest and recovery efforts. A departmentwide rest and recovery schedule is being considered in conjunction with the Field Allocation policy updates, and staff schedule maintenance activities during seasonal downtimes and when lowest demand occurs.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Parks and Recreation Director should require staff to ensure that website information is updated and accurate so that all reservable fields and their specifications and available amenities are listed and allow users to reserve fields directly through the site.	July 2022: Management reported the department's website was updated shortly after the audit to provide more comprehensive, accurate information about reservable fields. The updated information differentiates school district fields from city fields and notes the reservation restrictions and criteria. Management also reported that staff continues to work on identifying how to allow online reservations. Auditors confirmed that more comprehensive field information is now publicly available on the department's webpages. Jan 2023: Fields are not currently reservable through the website. Management reported that additional information has been added to the site. Auditors reviewed and verified that field availability was added to the site.	Part Impl'd	<input checked="" type="checkbox"/>
1C	The Parks and Recreation Director should require staff to configure ActiveNet to track pool use by individual lanes to identify and evaluate actual pool use and monitor availability of lap lanes for public use. Also, develop a policy to ensure that swim lanes are available for public use and a method to reserve those lanes in the system.	July 2022: Management reported that staff worked with the Community Services IT group to configure ActiveNet to include the Aquatic facilities' individual lap lanes. Further, permit reservations are now booked by lane and staff can monitor pool use by lane. Swim lanes are available for public use and are identified as Priority 1 in the Youth Aquatic Facility Allocation policy and lanes for public swim can also be reserved individually through ActiveNet. Auditors verified Aquatic reservations are now available by lane in ActiveNet. However, the policy provided is dated April 2021 and has not been updated. Jan 2023: The policy has not been updated. However, the department states it is now classifying lap swim as a City program, which is identified as Priority 1 in the existing allocation policy.	Part Impl'd	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1D	The Parks and Recreation Director should require staff to comply with field allocation procedures by collecting team rosters, verifying that the partner organizations remain in good standing, and calculating field allocations based on the number of residents served.	July 2022: Management reported the department is in the process of redrafting the Youth Sports Field Allocation Policy, with a department-wide team evaluating process improvements that will allow the greatest number of Scottsdale residents to be served. To begin this process, staff is verifying rosters, 501c3 status, and other information; two organizations have pending items to provide. Also, a member of the Parks & Recreation Commission is participating on this policy working group. The group estimates having a draft for management review within the next 60 days. Auditors will review the policy when available. Jan 2023: The department reported it has come into compliance with the existing requirements: collecting team rosters, verifying that partner organizations are in good standing, and calculating field allocations based on the minimum number of residents served. Work continues on updating the policy. April 2023: The Youth Sports Field Allocation Policy has been updated and approved by the Parks and Recreation commission in April 2023.	Implemented	<input checked="" type="checkbox"/>
2A	The Parks and Recreation Director should ensure that staff configure ActiveNet to simplify the process of selecting Aquatics fees based on the user group and resource rented and the associated general ledger account codes to be more efficient and reduce the risk of error.	July 2022: Management reported that this recommendation was implemented on July 1. Department staff worked with the Community Services IT group to configure ActiveNet to populate the Aquatic fees and general ledger accounts based on the departmental user group. The department reported that this has streamlined the permit process and reduced the opportunity for error. Auditors reviewed the Aquatics facility charge matrix and verified that charges are now based on customer type and charge type and the associated general ledger accounts were added.	Implemented	<input checked="" type="checkbox"/>

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Parks and Recreation Director should ensure that staff calculate recovery rates used to support Council-approved rates and fees by using all relevant direct and indirect costs.	July 2022: Management reported that the department is working with the division's Budget Analyst and Business Operations team to evaluate relevant direct and indirect costs for its cost recovery rates. The division will also continue to benchmark other Valley cities and, with this cost and benchmark information, will seek City Council guidance on its rates and fees. Jan 2023: The department reported staff continue working on the most effective way to evaluate and include indirect costs in a cost recovery model that reflects its resources allocated to individual fields and other resources. May 2023: The department reported that they benchmark other cities and the private sector when determining facility rental rates. An allocation method for utilities and maintenance has not been established for general sports fields and full costs have not been identified. City Financial Policy requires that rates and fees be examined periodically to determine direct and indirect costs, for Council to approve the acceptable recovery rate.	Not Impl'd	<input checked="" type="checkbox"/>
<b>2209</b>	<b>WestWorld Operations</b>		<b>Issued:</b>	<b>11/4/2022</b>
1A	WestWorld management should develop a sliding scale for discounting facility rates based on the amount of other related guaranteed revenues and prepare and retain analyses that support additional discounts provided.	May 2023: The new WestWorld General Manager is evaluating strategies for addressing the audit recommendation and will be developing a plan this summer to include research of similar facilities and identify the best approach to incorporate indirect costs in event cost evaluations.	In Progress	<input type="checkbox"/>
1B	WestWorld management should evaluate ways to include the routine event services into facility rates, such as telephone and internet, or require guaranteed minimums, such as horse stall counts, to streamline the operational and billing processes.	May 2023: The new WestWorld General Manager is evaluating strategies for addressing the audit recommendation and will be developing a plan this summer to include research of similar facilities and identify the best approach to incorporate indirect costs in event cost evaluations.	In Progress	<input type="checkbox"/>
1C	WestWorld management should conduct a more thorough RV rate analysis including other event facilities and the local market area. As well, evaluate whether RV fees are needed to address no-shows and extensive cleanup activities.	May 2023: Effective FY 2023/24, RV rates will increase from \$35 per night to \$50. The new WestWorld Business Manager will evaluate implementing no-show and clean-up fees.	In Progress	<input type="checkbox"/>



## Detailed Follow Up Report - Auditor Determined Status

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1D	WestWorld management should use full-cost calculations when developing facility rates and fees. These full-cost rates should then be evaluated against the competitive market rate limitations before recommending rates and fees for City Council approval.	May 2023: The new WestWorld General Manager is evaluating strategies for addressing the audit recommendation and will be developing a plan this summer to include research of similar facilities and identify the best approach to incorporate indirect costs in event cost evaluations.	In Progress	<input type="checkbox"/>
2A	WestWorld management should calculate and report facility utilization rates as percentage of available capacity to allow for more comprehensive monitoring of usage and assist with planning and marketing efforts.	May 2023: The new WestWorld General Manager reported that the recently hired Business Manager is investigating technology solutions to assist in implementing this recommendation.	In Progress	<input type="checkbox"/>
2B	WestWorld management should obtain and implement technology systems with input and processing controls for facility management and event scheduling. Ensure that the systems include reporting capabilities to streamline the billing process.	May 2023: The new WestWorld General Manager reported that the recently hired Business Manager is investigating technology solutions to assist in implementing this recommendation.	In Progress	<input type="checkbox"/>
2C	WestWorld management should ensure the WestWorld website is updated to provide better customer service. Specifically, provide an online RV reservation system as well as adding maps of rentable event spaces along with key features and rental fees.	May 2023: The new WestWorld General Manager reported that the recently hired Business Manager is investigating technology solutions to assist in implementing this recommendation.	In Progress	<input type="checkbox"/>

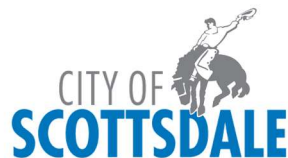
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The City Auditor's Office conducts audits to promote operational efficiency, effectiveness, accountability and integrity.