

## Phoenix, Arizona

Population: 1,615,000

City Budget: \$1.278 billion

City Manager has executive authority

Phoenix is an example of a large city with a strong city manager form of government that has an auditor's office with a long history. The City Auditor position has existed since at least 1914, but Phoenix's administrative structure and the duties of the Auditor have evolved. Voters adopted the current strong City Manager structure in 1948, in large part to insulate city staff from political favoritism and partisan politics.

DUTIES OF AUDITOR The charter provides that the Auditor shall prescribe "the use of plain and uniform systems of keeping books of accounts." City code expands the Auditor's role to include the authority to carry out performance audits in addition to financial, internal control and contract compliance.

INDEPENDENCE The Auditor is appointed and supervised by the City Manager and is an at-will employee. The Auditor has hiring and supervisory authority for all auditing staff and has an annual work plan which is considered, modified and then approved by the Audit Committee. The work plan is based on a risk assessment carried out by the Auditor and audit staff.

ACCESS TO INFORMATION The Phoenix Charter provides the Auditor "shall at all times have access to and may inspect" all financial records of the City. City Code also prohibits any city employee from interfering with "the initiation, scope, timing or completion" of an audit, and guarantees the Auditor's right to access records, documents, whether hard-copy or electronic, relating to the department, office or program being audited. All contracts include auditor access provision.

ACCOUNTABILITY Auditor follows generally accepted government accountability standards. The Audit Committee consists of three City Council members and three public members, all appointed by the Mayor, plus three members of City Staff: the City Manager, the Finance Department Director and the Budget & Research Department Director. In FY 2016-17, the Auditor and audit staff completed 82 audits.

FUNDING No guaranteed minimum budget; budget set through normal budgeting process: Auditor proposes, City Mgr. reviews, then Budget Committee, and then final approval by City Council. FY 2017-18 budget is \$2.85 million; Auditor currently has authorization for 24 performance audit staff, plus support staff; also oversees hearing officer who handles seized property, false alarm and loud party penalties.

OTHER UNIQUE PROVISIONS Auditor keeps 15% of staff capacity reserved for high priority audit activity that emerges during the fiscal year. Auditor also oversees a whistle-blower "Integrity Line" program, open to City employees, residents and contractors, which accepts complaints of fraud, waste and abuse by City employees and contractors. In FY 2016-17, 92 complaints were resolved, 17 of which were proven.

The current City Auditor was appointed in April of this year, but previously served as the Auditor for Maricopa County (which includes Phoenix) for 22 years. At the County, he once had to obtain outside counsel in order to pressure Sheriff Joe Arpaio to provide access to documents needed for an audit. Previous City Auditor had been in that position for many years and had served on the City's audit staff

since 1989. Both the current and former City Auditor are former Presidents of the Association of Local Government Auditors (ALGA).