Big thanks to the Annual Report Project Team:
Tim Lockinger, Audit Supervisor
Megan McPherson, Senior Auditor
DIRECTOR’S MESSAGE

YEAR IN REVIEW

The Internal Audit Department is proud to highlight its performance over the past year. This report reflects the value of internal auditing and our key contributions while continuing to face a challenging pandemic. We worked with our county partners to help improve governance and operational processes with an eye towards achieving county objectives.

Our accomplishments were made possible by collaborative relationships with county partners, backing by the Board of Supervisors, and our outstanding internal audit team. Our efforts did not go unnoticed. This report highlights some of the awards and recognition received.

Successful internal auditing is challenging in a rapidly evolving county. It requires a flexible audit plan and adaptable internal auditors. Thanks to our agile audit methodology, we have a framework to help us navigate changing conditions and to respond when a course correction is needed. Other contributions to our success include:

- Meaningful recommendations for sustained improvements
- Continuous improvement with process standardization
- New perspectives with open communication
- Staff development

We are fortunate to have stability and notably low turnover in our department. Our audit professionals maintain a supportive work environment that has helped foster professional growth and opportunity. I want to thank our dedicated employees for their resolve and optimism throughout the past year. This attitude drives excellence as we look forward to the years ahead.

Michael McGee
Michael McGee
Maricopa County Internal Audit Director
INTERNAL AUDIT
We are a team of professionals that provides independent and objective assessments designed to add value and improve operations. We help the County accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.

MISSION
Provide objective information on the County’s system of internal controls to the Board of Supervisors so they can make informed decisions and protect the interests of County citizens.

VALUE STATEMENT
Promote the effective, efficient, economical, and ethical use of public resources.

STRATEGIC OBJECTIVES

1. Adopt a **holistic approach** for identifying, prioritizing, and responding to risks in a timely manner.

2. Embrace **agile audit practices** that are flexible and forward-focused.

3. Collaborate with other County stakeholders to increase engagement, share best practices, provide new perspectives, and develop an open flow of risk information.

4. Provide the Board of Supervisors **meaningful** assurance, advice, and insight on key risks.

5. Cultivate a **continuous improvement** philosophy that promotes incremental change, problem solving, and sustained improvements.

6. Employ **consistent leadership and staff development** strategies that strengthen performance, retention, and succession.
### TYPES OF ENGAGEMENTS

#### PERFORMANCE AUDITS
Our performance audits examine county programs, functions, operations, or the management systems and procedures to assess whether an agency is achieving economy, efficiency, and effectiveness.

#### CONTINUOUS MONITORING
Using data analytics, Internal Audit increases audit coverage by testing transactions relating to high-risk county operations on a periodic basis.

#### CONTRACT AUDITS
We audit contracts to reduce the risk of non-compliance and improper payments and/or lost revenues.

#### INFORMATION TECHNOLOGY (IT) AUDITS
Our specialized IT auditors perform assessments of IT systems and internal controls, including system and data security, IT governance, business continuity, and other general controls.

#### MINIMUM ACCOUNTING STANDARDS
We review the County’s judicial services’ compliance with the Minimum Accounting Standards set forth and required by the Supreme Court of Arizona, Administrative Office of the Courts.

#### AUDIT FOLLOW-UP
We perform follow-up procedures to determine if recommendations and action plans are implemented.

#### CITIZENS FINANCIAL CONDITION REPORT
We prepare a report highlighting the financial strength of the County. This award-winning report provides graphical information on key financial indicators, trends, and benchmark comparisons.

#### SPECIAL REQUESTS
We provide specialized auditing and consulting services to the Board of Supervisors upon request.

### Our Audit Process

- County-Wide Risk Assessment
- Annual Audit Plan
- Perform Audit Work
- Issue Report
- Conduct Follow-Up

Visit [www.maricopa.gov/internalaudit](http://www.maricopa.gov/internalaudit)
KEY AUDIT HIGHLIGHTS (CLICK ON AUDIT TITLE TO VIEW FULL REPORT)

RADIO SYSTEM INFRASTRUCTURE UPGRADE
- Vendor invoices contained over $2.3M in overcharges.
- Invoice review procedures are being enhanced to help reconcile and verify future charges and discounts.
- Management is working with the vendor to resolve past discrepancies through future billings.

STAR CALL CENTER (ELECTIONS READINESS)
- A more effective and efficient process is needed for recruiting and training temporary call agents.
- A written STAR election plan will be developed for future elections to help ensure successful preparation.
- Opportunities exist to improve tracking and follow-up of voter issues.

EQUIPMENT SERVICES (FUEL USAGE MANAGEMENT)
- Fuel usage monitoring can be enhanced through automated alerts.
- Software enhancements are needed to improve accuracy of fueling information.
- Stronger controls for fuel cards will help ensure appropriate use.

COUNTYWIDE REVENUES (FINES, FORFEITS, AND CHARGES FOR SERVICES)
- Opportunities were identified to improve department reviews of discretionary fee levels.
- Guidance was enhanced to assist departments with establishing their fee levels.
- Departments are now required to acknowledge fee reviews as part of their annual budget submissions.

BUDGET SPECIAL REQUESTS (FISCAL YEAR 2020)
- Approved amounts over the baseline budget were used as intended or appropriately adjusted.
- Management made process improvements to tighten monitoring of future budget requests.
RECOMMENDATION IMPLEMENTATION

Action plans and follow-up help ensure recommendations are implemented. Only 8 of the 88 recommendations in progress are over three years old.

102 In Progress Last Year
27 New Recommendations
41 Implemented/Closed
88 Currently In Progress

100% RECOMMENDATION CONCURRENCE

Meaningful recommendations and agency concurrence are the first step in creating positive change.

During fiscal year 2021, the audited agencies concurred with each new recommendation. All recommendations were accompanied by agreed-upon management action plans.

KEY IMPROVEMENT AREAS

• Workforce Effectiveness & Service Delivery
• Governance & Risk Management
• Contingency Planning
• Data and System Security
“Thank you and your team sincerely for all that you do for and with us. We are truly most appreciative of the assistance and collaborative relationship.”
- Clerk of the Superior Court

“I have seen a continual improvement in the clarity and usefulness of your audit reports. This shows your dedication to continued improvement. Nicely done!”
- Barbara Coppage, Citizens Audit Committee

“It was a pleasure working with you and your team, and thank you for...sharing your valuable findings with us.”
- Correctional Health

“The audit team was professional and pleasant to work with. They were open and upfront with communication on all their processes... and the recommendations strongly benefited the county.”
- Equipment Services

“Kudos on the Cares Act Funding project; almost $70 million was distributed to county businesses and it couldn’t have been done without Internal Audit.”
- Lee Ann Bohn, Assistant County Manager

“Mike and his team have redefined the function of Internal Audit. They truly understand the concept of being a solutions-focused business partner to their customers to help them thrive!”
- Human Resources
AWARD FOR ANNUAL FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Maricopa County Internal Audit for its *Citizens Financial Condition Report* for the fiscal year ended June 30, 2020.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

Visit our website for our award-winning *Citizens Financial Condition Reports*.

AWARD FOR SMALL BUSINESS COVID-19 RELIEF PROGRAM

“The work that you did made such an impact on people’s lives…literally allowed small businesses to keep their doors open.”

- Supervisor Bill Gates, District 3

Internal Audit assisted the Department of Budget & Finance in reviewing applications from small businesses and non-profits seeking financial relief for losses resulting from the COVID-19 pandemic.

- Reviewed over 5,000 applications and financial information to verify approvals/rejections
- Averaged 1-2 day turnaround time for up to 100 applications per day
- Developed a database to coordinate final grant award decisions and payments
- Performed data analytics and dashboard reporting of program progress
- Supported nearly $70 million in grant payments to impacted businesses and non-profits
VALUE & QUALITY

VALUE

A robust internal audit function adds value in a variety of ways. For instance, it deters activities such as fraud, waste, noncompliance, etc. It also facilitates positive changes resulting in greater efficiencies. While it is difficult to measure intangible value, internal auditing produces measurable savings, such as identifying improper contractual payments and uncollected revenue.

**SAVINGS SINCE FISCAL YEAR 2017**

<table>
<thead>
<tr>
<th>Actual Savings</th>
<th>$3.4 M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential Savings and Cost Avoidance</td>
<td>$7.6 M</td>
</tr>
</tbody>
</table>

Actual savings include amounts identified for recovery or credit to the County. Potential savings and cost avoidance include identified expenditures that are unnecessary and can be averted going forward.

During fiscal year 2021, internal audit work would have cost nearly twice as much if the auditing function was outsourced to external audit firms.

**ANNUAL COST COMPARISON**

<table>
<thead>
<tr>
<th>Our Cost</th>
<th>$2.18 M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Outsource</td>
<td>$3.87 M</td>
</tr>
</tbody>
</table>

Our costs include those for providing internal audit services, including estimated amounts for rent, utilities, insurance, and other occupancy costs.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

Our quality assurance program covers all aspects of the internal audit activity, in accordance with the International Standards for the Professional Practice of Internal Auditing. Conformance to the standards and the Code of Ethics is verified by:

- Periodic self-assessments – For fiscal year 2021, we reviewed one assurance engagement and one consulting engagement. We determined that our processes and procedures are suitably designed and operating effectively to provide reasonable assurance of conformance with the standards for assurance and consulting engagements.

- External assessments – An assessment of our quality assurance program by an independent party is required once every five years. Our last external assessment was completed in fiscal year 2017 and was performed by representatives from the Association of Local Government Auditors; there were no findings.
Internal Audit reports directly to the Board of Supervisors. This organizational structure provides assurance that county officials cannot unduly influence the nature or scope of the audit work, and gives the Board a direct line of communication with Internal Audit.

During an engagement, auditors are required to disclose impairment. Auditor independence is also confirmed during regularly scheduled team meetings.
Citizens’ Audit Advisory Committee Members Provide Oversight

The Board-appointed Citizens’ Audit Advisory Committee assists the Board of Supervisors with its oversight responsibilities by considering and reviewing audit plans, findings, recommendations, and general audit activities. The Committee meets at least four times annually or more frequently as circumstances require.

Visit our website for a list of all Duties and Powers and Committee Member Biographies.

Ramon Ramirez, 2020 Advisory Committee Chairperson, received a plaque for his service.
Our staff has extensive familiarity with professional auditing standards, methods, and techniques, in addition to specialized training in information systems, business and government management, accounting, and fraud detection and deterrence.

Our staff holds 34 professional certifications and advanced degrees.

Additionally, most auditors maintain membership in a variety of professional organizations.

PROFESSIONAL ORGANIZATION MEMBERSHIPS

American Institute of Certified Public Accountants (AICPA)
Arizona Society of Certified Public Accountants (ASCPA)
Association of Certified Fraud Examiners (ACFE – National and Arizona Chapter)
Association of Government Accountants (AGA)
Association of Local Government Auditors (ALGA)
Information Systems Audit and Control Association (ISACA – National and Phoenix Chapter)
Institute of Internal Auditors (IIA – National and Phoenix Chapter)
Institute of Management Accountants (IMA)
MIKE MCGEE, INTERNAL AUDIT DIRECTOR
Mr. McGee is a Certified Public Accountant with a career in auditing and administration in both the public and private sectors. His experience includes over 18 years in management and senior management positions. Prior to joining Maricopa County, Mike served the State of Arizona as the Statewide Internal Audit Manager. He attended Arizona State University where he received his bachelor’s degree in accounting and graduated from Texas A&M University with a master’s in business administration.

SUSAN ADAMS, AUDIT MANAGER
Ms. Adams is a Certified Information Systems Auditor. She has a bachelor’s degree in accounting from Utah State University and a master’s degree in business administration from the University of Utah. She has over 25 years of professional auditing experience, with 20+ years as an information systems auditor. Ms. Adams is a member of ISACA, the Association of Local Government Auditors, and the Institute of Internal Auditors.

PATRA E. CARROLL, INFORMATION TECHNOLOGY AUDIT SUPERVISOR
Ms. Carroll is a Certified Internal Auditor, Certified Information Systems Auditor, and Certified in Risk and Information Systems Control. She has over 20 years of performance and IT auditing experience in the public sector. Ms. Carroll has a master’s degree in information management from the W.P. Carey School of Business at Arizona State University.

TIM LOCKINGER, AUDIT SUPERVISOR
Mr. Lockinger is a Certified Public Accountant licensed in Arizona and Nevada. He has a bachelor’s degree in business administration from the University of Nevada, Las Vegas, and over 30 years of progressive accounting and supervisory experience within the highly regulated gaming industry. He is also experienced in the analysis and development of systems of internal controls. Mr. Lockinger is a member of the Association of Local Government Auditors.
BRIAN NESVIG, AUDIT SUPERVISOR

Mr. Nesvig is a Certified Fraud Examiner with over 10 years of internal audit experience spanning both public and private sectors. He holds a Juris Doctor and a Master of Laws in taxation from the University of San Diego School of Law and a bachelor’s degree in economics from St. Olaf College. Mr. Nesvig is a member of the Association of Local Government Auditors and the Association of Certified Fraud Examiners.

KENTON SCHABEN, AUDIT SUPERVISOR

Mr. Schaben is a Certified Information Systems Auditor and a Certified Fraud Examiner. He graduated cum laude from the W.P. Carey School of Business at Arizona State University with a bachelor’s degree in finance. He worked in audit and finance prior to joining Internal Audit in 2015. Mr. Schaben is a member of the Association of Local Government Auditors, ISACA, and the Association of Certified Fraud Examiners.

STACY ABERILLA, SENIOR LAW ENFORCEMENT AUDITOR

Ms. Aberilla is a Certified Internal Auditor and Certified Government Auditing Professional, and holds a Certification in Risk Management Assurance. She graduated from the ASU School of Public Affairs with a master’s degree in public administration and has 10 years of professional internal audit experience. Her strengths include applying legal and regulatory requirements, project management, research and risk assessment, data analysis, and presenting complex information to stakeholders. Memberships include the Association of Local Government Auditors and the Institute of Internal Auditors.

TIM CARROLL, SENIOR AUDITOR

Mr. Carroll is a Certified Fraud Examiner with over 14 years of professional audit experience. He has a bachelor’s degree in business administration (finance) from Bowling Green State University, a bachelor’s degree in economic crime investigation from Hilbert College, and a master’s degree in economic crime management from Utica College. Mr. Carroll is a member of the Association of Certified Fraud Examiners and the Association of Local Government Auditors.
JENNY CHAN, SENIOR AUDITOR
Ms. Chan is a Certified Internal Auditor and Certified Government Auditing Professional, with over 10 years of professional internal auditing experience. She started as an Internal Audit intern in May of 2007 and became a staff auditor in October of 2007. She has a bachelor’s degree in accountancy and computer information systems from the W.P. Carey School of Business at Arizona State University. Ms. Chan is a member of the Institute of Internal Auditors, Association of Local Government Auditors, and the Arizona Chapter of Certified Fraud Examiners.

DAN GRIEDL, SENIOR AUDITOR
Mr. Griedl is a Certified Public Accountant and a Certified Internal Auditor. He has a bachelor of business administration degree majoring in accounting from the University of Wisconsin-Oshkosh, with over 30 years of audit experience. He was a consultant on a large five-year contract compliance and cost recovery project. He has experience in aerospace, public utilities, oil and gas, real estate investments, securities, and public accounting. Mr. Griedl is a member of the Institute of Internal Auditors and is a Past President of the Phoenix Chapter of the Institute of Internal Auditors.

MEGAN M. MCPHERSON, SENIOR AUDITOR
Ms. McPherson is a Certified Internal Auditor. She graduated from the W.P. Carey School of Business at Arizona State University with a bachelor’s degree in finance, and holds a master’s degree in teaching economics and business. She began her audit career with Wells Fargo Bank and has more than 14 years of professional internal auditing experience. Ms. McPherson is a member of the Institute of Internal Auditors, Association of Local Government Auditors, and Association of Certified Fraud Examiners. She also teaches an accounting course at a local community college.

CHRIS MOORE, SENIOR IT AUDITOR
Mr. Moore is a Certified Information Systems Auditor with over 10 years of auditing experience between public and private sectors. He graduated magna cum laude from the W.P. Carey School of Business at Arizona State University with bachelor degrees in accountancy and management. Mr. Moore is a member of ISACA.
MIREYDA VILLARREAL-SANCHEZ, SENIOR AUDITOR
Ms. Villarreal-Sanchez joined Internal Audit in December 2018. She has a bachelor’s degree from Brigham Young University in business management with an emphasis in international finance. She has over 16 years of compliance and performance government auditing experience while employed at the State of Arizona working for the Departments of Economic Security, Revenue, and Transportation. She is currently pursuing her master’s in business administration degree through Grand Canyon University. Ms. Villarreal is a member of the Association of Local Government Auditors.

KERRISHA ALLEN, INTERNAL AUDITOR
Ms. Allen holds a bachelor’s degree in general studies from the University of Nebraska-Omaha and is a graduate from Southern New Hampshire University with a master’s degree in operation and project management. She started her audit career with the State of Arizona and has over four years of auditing experience. She is a member of the Association of Local Government Auditors. She is also a Certified Adult Educator in the State of Arizona.

BRENDA ERRAN, INTERNAL AUDITOR
Ms. Erran joined Internal Audit in June 2018. She holds a Bachelor of Science in Accounting from Grand Canyon University and has more than six years of experience working in the accounting field and preparing individual taxes. She enjoys being an active member of her community by volunteering her time with the Volunteer Income Tax Assistance (VITA) program. Ms. Erran is a member of the Association of Local Government Auditors and the Institute of Internal Auditors.

TOBI SALINAS, INTERNAL AUDITOR
Mr. Salinas joined Internal Audit in July 2021. He holds a Bachelor of Science in Finance from the W.P. Carey School of Business at Arizona State University. He is a member of the Association of Local Government Auditors.
AMANDA ZIBELL, SENIOR BUSINESS SYSTEMS ANALYST

Ms. Zibell joined Internal Audit in July 2019. Her experience includes over 20 years in government, 15 of those years with the State of Arizona in various accounting, auditing and technical roles. She has a bachelor of science in business management and a master’s in business administration. Her professional profile comprises a technical support background which includes accounting, auditing, software and database implementation projects, data analytics, and end user training.

KAREN SMITH, EXECUTIVE ASSISTANT

Ms. Smith joined Internal Audit in March 2019. She has an associate’s degree in legal assisting from Everest College and a bachelor’s degree in psychology from Ottawa University. She has more than 16 years of experience working in law firms, including 8 years as a paralegal and 7 years as an executive assistant to managing members and c-level executives.

THANK YOU FOR YOUR SERVICE!

Kimberly Abbott
Internal Auditor