

**MINUTES OF THE AUDIT COMMITTEE MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Mohave District Annex, Conference Room D, 8500 E. Jackrabbit Rd, Scottsdale, AZ 85250
March 10, 2023 at 9:00 AM**

The meeting was called to order at 9:01 AM on March 10, 2023.

Call to Order – Dr. Menzel called the meeting to order.

One or more members of the Audit Committee and non-Audit Committee members participated in the meeting in-person or via video or internet conferencing - Zoom

Roll Call-

Audit Committee members in attendance were Sara Regan (via Zoom); Dale Belt (via Zoom); Jason Klonoski; and Carine Werner, Governing Board Member. Dr. Scott A. Menzel, Superintendent; Shannon Crosier, Chief Financial Officer; and Lai Cluff, Acting City Auditor City of Scottsdale were also present. A quorum was present.

Information/Discussion and Possible Action

3. Selection of New Audit Committee Chair – Action

- At the December 9, 2022 meeting, Sara Regan indicated she was interested in serving as Chair
- Mr. Belt moved to nominate Sara Regan as Audit Committee Chair. Mr. Klonoski seconded the motion. The motion was approved with a vote of 4-0.
- The meeting was handed over to Ms. Regan.

4. Approval of Prior Meeting Minutes – December 9, 2022 – Action

Mr. Klonoski moved to approve the Audit Committee Meeting Minutes of December 9, 2022. Mr. Belt seconded the motion. Mrs. Werner abstained. The motion was approved with a vote of 3 – 0 – 1 with 1 abstention.

5. Review Charter re Composition of the Audit Committee - Information

- Ms. Regan reviewed the Audit Committee Charter and Policy and they seemed consistent.
- Mr. Belt reviewed the Charter and Policy and did not see anything to cause any concern.
- Mr. Klonoski mentioned Board membership in the committee, ensure the committee's voice is independent.
- The Governing Board made a change to Policy DIE Audits/Financial Monitoring and modified the language to indicate that the Audit Committee did not have to have a Board member, but it could have 1 Board member.
- Governing Board Policy DIE was changed, but the Audit Committee Charter has not yet been modified.
- Update the Audit Committee Charter at the next meeting so it is in alignment with Governing Board Policy DIE. Include a redline and a clean version of the Charter for approval.
- Future agenda item: discuss member terms of service, staggered, how to determine when members are up for renewal, etc....

6. Human Resources Audit – Information and Action

- Lai Cluff, Acting City Auditor with the City of Scottsdale provided audit highlights.
- The scope of the audit was to examine the District's human resources organizational functions, including its strategic and operational planning and staffing services.

- The following audit findings were discussed:
 - Improved reliability and availability of data could better inform the District's retention strategies and performance monitoring.
 - Recruiting effectiveness may be improved by monitoring recruitment progress and metrics, increasing HR oversight, and standardizing procedures.
 - Process improvements are needed to alleviate workload pressures and help the department move towards its strategic goals.
- The following areas were recommended:
 - Improve processes to evaluate reasons for separation, which could include adopting an electronic resignation form to capture key information. Also, consider increasing the substitute pool size.
 - Develop and refine procedures, including establishing target completion timelines, to improve monitoring recruitment activities, calculating new teacher salary placement, and processing personnel action requests.
 - Limit system access to necessary functions and current employees.
- There is a preliminary management response to all the findings.
- The Audit Committee would appreciate updates as timeline areas are completed.
- Consider additional resources to meet demands of the work and accelerate the timelines.
- Ms. Regan moved that the Audit Committee recommend to the Governing Board that in order to expedite management completion of their response to the findings that the Board is in support of allocating more resources towards HR in order to do that. Mr. Klonoski seconded the motion. The motion was approved with a vote of 4 – 0.
- Mr. Klonoski asked to amend the motion to add: the Governing Board would allocate resources to the Human Resources department in a manner they see fit.
- Ms. Regan amended her motion and moved that the Audit Committee recommend to the Governing Board that the Board allocate resources in a way it sees fit in order for the HR audit remediations to occur on a more expedited basis. Mr. Klonoski seconded the motion. The motion was approved with a vote of 4 – 0. The first motion was withdrawn, and this is the substitute motion.

7. FY22 Audit Update – Information

- Shannon Crosier, Chief Financial Officer, provided a FY22 audit update.
- The District has used Clifton Larson Allen for its last 3 audits.
- There was one of the best audits the District has had.
- There were no material findings in the single audit.
- There were 2 findings in the USFR Compliance Questionnaire. The first finding had to do with the transportation report. The second finding had to do with an asset that was not listed properly. Both were addressed.
- There was a finding in the Trust audit that the District has disputed.
- The District has terminated its contract with Clifton Larson Allen due to issues with the last 3 audits, issues with communications, and slow response times/unable to meet deadlines. The District will go out for an RFP for a new audit firm. Anticipate a recommendation to go to the Governing Board in May.

Email Ms. Regan if you have any agenda items for the June 9, 2023 meeting.

- Mr. Klonoski requested to add a recommendation to nominate a Vice Chair.
- Future agenda item: discuss annual report for the Governing Board.

8. Adjournment

At 10:12 AM, Mr. Klonoski moved to adjourn the Audit Committee meeting. Mrs. Werner seconded

the motion. The motion was approved with a vote of 4 – 0.

Dated this 10th day of March 2023