

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 11, 2022 at 9:00 AM

The meeting was called to order at 9:01 AM on March 11, 2022.

Call to Order – Mr. Greenburg, called the meeting to order.

One or more members of the Audit Committee and non-Audit Committee members participated in the meeting in-person with masks on, or by telephone, video or internet conferencing

Roll Call-

Audit Committee members in attendance were Jann-Michael Greenburg, Governing Board President; Dale Belt via Zoom and Danielle Martinage via Zoom and Sara Regan via Zoom. Dr. Scott A. Menzel, Superintendent; Shannon Crosier, Chief Financial Officer; and Sharron Walker, City of Scottsdale Auditor were also present. A quorum was present.

Information/Discussion and Possible Action

3. Approval of Prior Meeting Minutes – January 14, 2022 – Action

Mr. Greenburg moved to approve the Audit Committee Meeting Minutes of January 14, 2022 as presented. Mr. Belt seconded the motion. The motion was approved with a vote of 4 – 0.

4. Review Charter – Information

- Page 2, D – Composition of the Audit Committee – Sara Regan suggestions approved.
- Page 2, The Chair of the Audit Committee – Revise language. The Audit Committee provides input on appointment and the Governing Board makes the formal/official appointment. Change to: the audit committee will designate a chair - add a separate section stating the application process, review of submitted applications by the committee then a recommendation to the Board. Approved.
- Page 3, F – Preparation and Attendance – Add a minimum requirement of attendance to meetings. Recommendation to attend at least 2 of the last 4 meetings. Approved.
- Page 3, Conflict(s) of Interest – Implement that the Audit Committee members fill out and sign a Conflict-of-Interest form. Take the COI form that the Board uses as an example and ask General Counsel to prepare. Approved.
- Page 5, #4 Fraud – Word change to “monitor”. Approved.
- Page 7, #4 Internal audit engagement and follow up – Similar to comment on page 5, #4. At the end of the sentence change “be” to “being.” Agreed by group.
- Next steps:
 - Make the revisions
 - Vote to approve at the next Audit Committee meeting
 - Send to the Governing Board as a Consent Agenda item for approval

5. Procurement Audit – Current Status - Information

- Procurement audit was done in the past and requirements were met. No longer something we must do, but can choose to do.
- Procurement audit cost approximately \$10,000.
- Clifton Larson Allen completed the procurement audit.
- In depth review that looks at all aspects of purchasing.
- The procurement audit was very clean.

- Annual training was required of all administrators. It is no longer required, but the District continues to conduct training with staff.
- Recommendation to place the procurement audit on a 3-year cycle. Approved. Shannon Crosier will send a memo to the Board with the recommendation.

6. Review of 2021 District Audit – Information

- Review of the 2020-2021 audit
- Received final piece of the 2020-2021 audit this week and it was a clean audit.
- A 175 question/compliance worksheet was completed. Two issues came up in the audit.
 - Deposits not deposited within 7 days: 1 out of 25 club deposits were deposited more than 7 days out and 5 out of 15 auxiliary deposits were not deposited within 7 days.
 - ADM (Average Daily Membership) and absence information: out of the 6 schools tested the District reported 2.75 less absent days than ADM – numbers did not match. Does not impact ADM and does not impact funding from the state.
- The Single Audit is required for federal grants. One item discovered was the process of revenue recording at the end of the fiscal year. This was a clerical error and misunderstanding. The process was addressed with staff and new procedures were put in place.
- The audit information will be presented to the Board on April 12th by Clifton Larson Allen.
- Dr. Bochna and the student information teamwork with site staff to make sure absences are recorded and entered correctly.
- The District has a 5-year procurement with external auditors.

7. Potential Audit Topics – Information

- Sharron Walker shared potential audit topics discussed during the January 14, 2022 Audit Committee meeting:
 - Special Education - Lori Bird, General Counsel, does not recommend a Special Education audit in this framing because we have state and federal reviews in place.
 - Title 9 – Possible, but is the timing the right time.
 - Complaints
 - Contracts (requested list to consider)
 - Risk areas (requested Legal Counsel suggestions)
 - Energy performance contracts - This is a big item; Board members have asked for it and there have been conversations on how much the district is paying vs the value we are/are not getting.
- Other potential topics shared:
 - Transportation – The department will have a change in leadership.
 - Community Education
 - Phones, including cellular
 - Technology
 - Maintenance
 - Human Resources – Interested in learning more about this audit function and what the audit will look like.
 - Facility usage/building rentals
 - Purchasing/procurement cards
 - Capital projects
 - School /student activities
 - Nutrition Services
 - Extracurricular tax credit funds

- Performance Audits
 - Program effectiveness and results
 - Internal control
 - Compliance
 - Prospective analysis
- Concerns can be placed through Lets Talk. Better communicate the use of Lets Talk for stating complaints. Exit interviews (when employees leave) can be a platform used for stating concerns. Suggestion to review Lets Talk for any fraud complaints.
- Committee members requested more time to review potential audit topics.
- Next steps:
 - District to assess list of items and any not identified – high impact/high likelihood
 - Send Audit Committee brief explanation around the end of April
 - Audit Committee will review list/explanations for audit recommendations

8. Adjournment

At 10:28 AM, Mr. Greenburg moved to adjourn the Audit Committee meeting. Ms. Regan seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 11th day of March 2022