

**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
January 14, 2022 at 9:00 AM**

The meeting was called to order at 9:07 AM on January 14, 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 via Zoom; Dr. Libby Hart-Wells, Governing Board Member; Sara Regan via Zoom; and Dale Belt via Zoom. Danielle Martinage arrived at 9:21 AM via Zoom. 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 – October 22, 2021, Orientation Meeting – Action

- Dr. Hart-Wells requested a change: item 4.B., bullet point 2, amend the language after the word enacted, from the word including to the end of the sentence, to replace with “focus on transparency and information sharing from the general contractor.”

Mr. Greenburg moved to approve the Audit Committee Meeting Minutes of October 22, 2021 as amended. Dr. Hart-Wells seconded the motion. The motion was approved with a vote of 4 – 0.

4. Election of Chair and Vice Chair – Action

- No members self-nominated.
- The Audit Committee members present agreed to maintain the current committee status with Jann-Michael Greenburg as Chair and no Vice Chair. No motions were made.

5. Review Charter - Information

- The charter was originally developed by using the model charter by the Institute for Internal Auditors.
- Ms. Walker reviewed the charter and made a number of recommended changes which Mr. Greenburg implemented.
- Due to time constraints and committee members receiving the charter the morning of the Audit Committee meeting, there was a brief discussion and recommendation to allow each member to review and make suggested recommendations for approval at the next meeting.
- Mr. Belt reviewed the charter and thought it was well written and well organized.
- Dr. Hart-Wells requested time for a thorough review.
- Ms. Regan reviewed the charter and had a few changes.
- Email any recommended edits to Ms. Wagoner before the next meeting.

6. Discussion Regarding Development of an Annual Audit Plan – Information

- Ms. Walker presented the City of Scottsdale’s audit process.
- The City of Scottsdale collects data once a year such as the number of full-time employees, revenues related to programs, expenditures, questions of public interest, indications of

governing body concerns, questions/interest on operations, management interest/concerns, the level of other oversight and key changes in programs. A rating scale is then developed.

- Ms. Walker suggested discussing items to be considered as potential audit topics, different approaches, working with staff to collect information and obtaining feedback.
- Ms. Martinage requested access to the District's policies and procedures. Ms. Wagoner will send the committee members the website link to all the policies. Certain departments have their own policies and procedures available on the District's website.
- Mr. Belt asked – what exactly are we auditing?
- Ms. Walker mentioned that school districts are required to have an annual financial audit. The internal audit function that the district is contemplating would look more at the operational or performance audit (effectiveness, efficiency, compliance) – other types of programmatic objectives.
- Things Auditors look for
 - Is there a criteria?
 - Is there a best practice?
 - Is there a law, rule, regulation?
 - Is there an objective way to measure the performance?
- Ms. Crosier presented a brief overview of the number of audits the finance department performs each year.
- Mr. Belt asked about other school districts with an auditor/audit committee and possibly look at what they do and the areas they look at. Ms. Walker will check with the Mesa School District auditor to see what types of audits they are conducting and will present at the next meeting.
- Develop an inventory list and request leadership/management suggestions. The committee can then discuss items on the list and develop a general consensus on what areas to look at first. The inventory list should also include Governing Board topics and technology risks/technology audits.

7. Discussion of Schedule of Meetings, Including Review of 2020-21 Financial Audit – Information

- Schedule meetings quarterly
- In person and Zoom options
- Schedule on the 2nd Friday at 9am
- Ms. Wagoner will send a meeting invite to the committee members
- Ms. Wagoner will email the committee the Open Meeting Law presentation that SUSG General Counsel, Lori Bird, presented to the Governing Board
- Ms. Crosier will review the 2020-2021 audit at the next Audit Committee meeting

8. Follow Up on Hohokam – Information

- Dennis Roehler, Director of Facilities and Bond Management and Dan Collinsworth, Project Manager, presented a follow up on the Hohokam project including documents for discussion.
- Mr. Roehler and Mr. Collinsworth looked at the architectural component, the general contractor component and the District's responsibilities as the owner.
- The bond team meets weekly to review the Master Construction Services Checklist which allows them to be more thorough and fully accountable to the District.
- The checklist is a data management tool where attachments can be imbedded and stored.

9. Adjournment

At 10:33 AM, Dr. Hart-Wells moved to adjourn the Audit Committee meeting. Mr. Belt seconded

the motion. Ms. Martinage left the meeting at 10:32 AM. The motion was approved with a vote of 4 – 0.

Dated this 14th day of January 2022