

**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
October 22, 2021 at 2:30 PM**

The meeting was called to order at 2:33 PM on October 22, 2021.

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; Dr. Libby Hart-Wells, Governing Board Member; and Danielle Martinage. Dale Belt was absent. Sara Regan arrived at 2:35 PM. Dr. Scott A. Menzel, Superintendent; 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 1, 2021, Orientation Meeting – Action
No discussion or changes to the Minutes.

Mr. Greenburg moved to approve the Audit Committee Meeting Minutes of October 1, 2021. Dr. Hart-Wells seconded the motion. The motion was approved with a vote of 3 – 0.

4. Audit Report – SUSD Hohokam Bond Project – Information
- A. City Auditor Presentation – Sharron Walker, Scottsdale City Auditor and Lai Cluff, Senior Auditor
 - The IGA for the audit was approved in March
 - Review of Hohokam Bond Project audit highlights and key results from the PowerPoint presentation
 - Closer review of the CMAR subcontractor selection, proposed GMP costs and contract time can better control construction costs
 - Establishing contract management processes may help the department better monitor and control construction costs and quality
 - Management of the Design services contract could be improved
 - Documentation standards and methods should be improved
 - Recommendations presented
 - The plan is to present the audit report to the Governing Board on October 26, 2021
 - B. Management Action Plan – Dennis Roehler, Director of Building Services and Bond Management
 - Every recommendation was taken seriously
 - An action plan was already enacted with focus on transparency and information sharing from the general contractor
 - SOP recommendations are 75-80% complete
 - A check list will be created for staff members to verify that milestones have been met
 - A checklist will be created for designers and contractors to establish a calendar with milestones, deliverables and accountability
 - Written procedure target date will be next week

- Dennis Roehler and Dan Collinsworth are the project management team in charge of the work; they are committed to the recommendations and will follow through with the work; it is a very small staff for the amount of projects going on

5. Discussion on SUSD Financial Audits – Shannon Crosier, Chief Financial Officer - Information

A. Prior Audit of Fiscal Year Ended June 30, 2020

- Three audits were done starting July 1, 2019, and ending June 30, 2020
- Services were contracted out to the outside auditing firm of Clifton Larsen & Associates
- A required procurement audit was completed with no findings and submitted to the AG's office
- A Self-Insurance Trust audit was completed with a recommendation to record in more detail which is being implemented
- A single audit, required for federal funds, was completed with two findings which were handled

B. Status of Current Audit for Fiscal Year Ended June 30, 2021

- The same three audits were completed with Clifton Larsen & Associates
- Continuing to work through the audits and responded to 133 requests
- Procurement audit - no findings and submitted to the AG's office; we are cleared of that judgment
- Continuing to work on the Self-Insurance Trust audit and updated information in September
- At this point, the single audit/questionnaire reported two minor items regarding deposits and three student absences that were miscalculated

6. Discussion Regarding Potential Agenda Items for Next Audit Committee Meeting - Information

- Follow up on written procedures of Hohokam Audit
- Discuss whether to continue the procurement audit – Shannon Crosier will find out costs and present ideas
- Investment policy on the Self-Insurance Trust
- Form a Charter that identifies roles and responsibilities
- Appoint a formal Chair or rotating Chair
- Discuss a Chief Risk Officer, risk and risk assessments
- Discuss/develop plans for future audits
- Audit Plan - Sharron Walker to explain City of Scottsdale's process and brainstorm audit areas
- Review of the final management responses/SOP's
- Create a dedicated webpage for audit reports
- Rethink organizational structure for Facilities; proposal from Dr. Menzel on what organizational alignment might look like to address broad scope that currently falls under Building Services/Facilities Maintenance; succession planning; contingency plan; ensure procedures are documented properly

7. Adjournment

At 4:02 PM, Mr. Greenburg moved to adjourn the Audit Committee meeting. Dr. Hart-Wells seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 22nd day of October 2021

