

**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 22, 2024 at 9:30 AM**

The meeting was called to order at 9:30 AM on March 22, 2024.

Call to Order – Ms. Regan, called the meeting to order.

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

Roll Call-

Audit Committee members in attendance were Sara Regan, Chair; Jason Klonoski, Vice Chair; Carine Werner, Governing Board Member, Jeanne Beasley and Patty Beckman. Dr. Scott A. Menzel, Superintendent; Shannon Crosier, Chief Financial Officer; Alexis Wilson, Assistant Superintendent of Human Resources and Lai Cluff, Acting City Auditor – City of Scottsdale were also present. A quorum was present.

Information/Discussion and Possible Action

3. Approval of Prior Meeting Minutes – December 8, 2023 – Action

Mr. Klonoski moved to approve the Audit Committee Meeting Minutes of December 8, 2023. Mrs. Beasley seconded the motion. The motion was approved with a vote of 5 - 0.

4. Welcome New Member and Introductions – Information

- Welcome Patty Beckman!

5. Report on Status of the Scottsdale Unified School District Compensation Practices Audit – Lai Cluff, Acting City Auditor – City of Scottsdale – Information

- Completed and submitted audit results to Human Resources – they are in the process of verifying information.
- Looked at the District's classification and compensation practices.
- Better alignment in policies – want to see better coverage in policy guidance.
- Align job descriptions and salary schedules.
- The finalized report will be sent to the Audit Committee.
- SUSD received the final findings on Monday, March 18th – currently in the review process.
- Inconsistencies were identified and provided to Human Resources to review.
- Next steps: The City of Scottsdale finished the audit work and findings draft. Human Resources was provided with the backup of the findings and they will review. Any issues will be sent back to the City of Scottsdale to finalize. A management response template was provided to Human Resources and will be included in the report. Management response will be completed by April 5th. If there are no changes to the report, it can be sent to the Audit Committee the following week. The report should be issued by April 12th then sent to the Audit Committee. The committee should schedule to meet 2 weeks after the report is sent. Gladys will reach out to committee members to confirm a meeting date.

6. Report on Status of the Human Resources Audit #1 Findings – Alexis Wilson, Assistant Superintendent of Human Resources – Information

- Finding I: Reliability and availability of data could better inform the District's retention strategies and performance monitoring.
 - Continue efforts to evaluate employee turnover, including calculating turnover for key positions and programs to fine-tune recruitment and retention strategies.
 - Refine termination codes to provide more meaningful separation reasons for analysis and use exit survey data to help identify potential retention issues.
 - Evaluate methods to better manage employee complaints and grievances.
 - Consider increasing the substitute pool to meet absence field goals, further evaluate trends by grade, subject, or location to identify where additional needs exist.
 - A Human Resources Analyst was hired.
 - Termination codes were aligned in Visions (aligned with the exit survey). This is an electronic feature which will help better understand why people are leaving. The exit survey is not mandatory.
 - Hired a new substitute coordinator and increased the sub pool – fill rates average 90% consistently.
 - On track to meet completion date of June 30, 2024.
- Finding II: Recruiting effectiveness may be improved by monitoring recruitment progress and metrics, increasing Human Resources oversight, and standardizing procedures.
 - Established target, timelines for recruitment task.
 - Evaluate methods to standardize and streamline job postings to provide a better job.
 - Identify department performance measures and collect data that will assist in evaluating them. Formalize recruitment procedures to ensure more consistent handling.
 - Established procedures to improve monitoring of recruitment activities.
 - Established procedures for tracking and monitoring, pending certification of newly hired certified staff.
 - Promote additional pay or benefit incentives available to potential job applicants.
 - All findings have been completed and trainings provided.
 - Utilizing platform in the application system.
 - Job postings are more streamlined with a standardized method – cleaned up postings and removed old postings.
 - Recruitment procedures were formalized, and the Human Resources team was trained on the hiring process.
 - Created a bank of interview questions to provide consistency.
- Finding III: Process improvements are needed to alleviate workload pressure and help the department move toward its strategic goals.
 - Formalize, policies and procedures for processing personnel action request.
 - Established termination procedures, for both Human Resources and school/departments, to provide guidance and communicate expectations regarding timeliness.
 - Promptly deactivate user access to Human Resources systems when they are no longer authorized and restrict system access to only necessary functions.
 - Reconfigured the Human Resources team with Learning Community Specialists.
 - Training has been provided to administrative supports.
 - Ongoing monthly auditing – continue to refine process and improvements.
- Other Information/Next Steps
 - Revised applications for a more candidate friendly experience.
 - Compensation study started – Phase I.

- Audit Phase II review and response.
- Annual review of retention data, PAR workflow and timelines to identify successes and challenges for process improvement.
- Ongoing training for sites and Human Resources team.

7. Update on the Completion of the Annual Audit of Financial Statements and Compliance Questionnaire – Shannon Crosier, Chief Financial Officer – Information

- Forms and documents were completed this week.
- Henfield and Meech performed the audit of financial statements.
- The comprehensive financial report was issued on January 30th – no issues.
- The self-insurance trust financial statements were issued on March 20th – no issues.
- The single audit was issued, and 1 significant deficiency was received – there were no other issues with the single audit.
- Compliance questionnaire – There were 18 non-compliant out of 170+ questions. Some areas were: conflict of interest forms, student activities, some fundraising daily sales summary forms were missing, some deposits were not made in time, inadequate club minutes, a state grant mistakenly coded as a federal grant revenue, after the fact purchases, over tipping on travel for ride shares, late fee on credit card payment, 1 payroll transaction was mistakenly made, state grant budget was missing on the budget form, attendance/absence/withdrawal recording issues, password strength undetermined, audit log not provided for systems within IT, Transportation used the previous Director's excel workbook to fill out a form that was sent to the state and there were inconsistencies within the formula – most issues have already been addressed and others will be addressed.
- Henfield and Meech will be presenting the Audit of Financial Statements and Compliance Questionnaire to the Governing Board on April 9th.
- Shannon will send documents to the Audit Committee.

8. Discussion of Audit Committee Liaison Assignments – Information

- Liaisons: Board, Financial or Budget and District Audit.
- Board Liaison - Jeanne is willing to take on this role.
- Financial Liaison – Can be split into 2 areas: M&O and Capital. Jason and Patty are willing to take this on and share the Financial Liaison duties.
- District Liaison (with Auditor) – no volunteers.
- Create a Shared Drive/Audit Library – communal workspace. A Gmail account will make it easier to share. If you have a Gmail account, please share with Shannon and she will set you up. Tentative set up by the next meeting in April.
- What should the Board report look like? The Audit Committee charter talks about what the report to the Governing Board should include (ex: What is the Audit Committee doing, what work are they performing).
- Add to the June 14th agenda: Board liaison report from Jeanne.
- Are there extra dollars for a second audit? Per Shannon, there is money available.
- Between now and the end of April/beginning of May - look at what is next on the prioritized audit list – ask the City of Scottsdale for an estimate of time and cost. Circle back if there is anything that surfaced since the priority list was created that jumped the line.

9. Adjournment

At 11:06 AM, Mrs. Beckman moved to adjourn the Audit Committee meeting. Mr. Klonoski

seconded the motion. The motion was approved with a vote of 5 – 0.

Dated this 22nd day of March 2024