

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
July 25, 2025 at 9:00 AM

The meeting was called to order at 9:01 AM on July 25, 2025.

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; Mike Sharkey, Governing Board Member; Jeanne Beasley and Patty Beckman (via video/internet conferencing). Jason Klonoski, Vice Chair was absent. A quorum was present.

Dr. Scott A. Menzel, Superintendent; Shannon Crosier, Chief Financial Officer; and Dr. Heather Cruz, Assistant Superintendent of Human Resources.

Information/Discussion and Possible Action

3. Approval of Prior Meeting Minutes – June 12, 2025 - Action

Mrs. Beasley moved to approve the Audit Committee Meeting Minutes of June 12, 2025. Mr. Sharkey seconded the motion. Patty Beckman experienced connection issues. The motion was approved with a vote of 3 – 0.

4. Discuss Audit Committee Risk Analysis, Audit Plan and Governing Board Report

- An audit of the District is conducted annually by an outside auditing firm – currently Heinfeld Meech.
- Heinfeld Meech presents the audit report and questionnaire to the Governing Board annually.
- The risk assessment informs the audit planning for the following year.
- Physical Security came in at #1, Technology #2 and Purchasing #3.
- Physical Security
 - This summer, Arizona Counter Terrorism Information Center (ACTIC) did an assessment and review of each of our school facilities.
 - We will have another security report that will need to be discussed in Executive Session to protect security information.
 - Request for Josh Friedman, Director of Safety and Security, to present the ACTIC results on September 12th.
 - If there are questions or a deeper dive is requested, the committee will spend audit dollars on a physical security audit.
- Technology
 - Request for Kristine Harrington, Chief Communications and Information Officer, to present on cybersecurity, the schedule of tabletop exercises and results from those tabletop exercises.
 - If the committee feels there is more work to be done, they will reserve time and be more prescriptive over what areas they want to focus on.
- Purchasing

- Procurement and procurement laws.
- It has been 2 years since the Clifton-Larson audit on procurement.
- Ask Heinfeld Meech to give a quote on how much it will cost to do a deeper dive on procurement as a part of their audit cycle.
- Handling (review process and procedures, are we following them, process improvements, are there any gaps in procedure, gaps in policy)
- Process/Procedures for Employee/Contractor Complaints – per Dr. Cruz this is not perceived to be a problem, can bring back procedures and policies. There are several communication channels where people can reach out (ex: Let's Talk).
- Rank order for the audit plan:
 - 1) Cash Handling
 - 2) Review of process around Employee Termination and Discipline
 - 3) Purchasing
 - Leave space for Cybersecurity and Physical Security after presentations – if any presentation gives the committee pause they will move those audits up.
 - Build the rank order as an Action Item for September 12th to formalize.
- Sara will commit to drafting the annual Board Report for the committee to review in September. The Board report will include the rank order and summary of work done the prior year. Approval of the Board Report (Action Item) on September 12th. Ms. Regan will present the annual report to the Governing Board on October 7th.

5. Discuss Future Agenda Topics

- Draft of the Board Report for the Audit Committee to approve – September 12th
- Josh Friedman's presentation on Security – September 12th
- Status update on the Health Insurance audit – September 12th
- Follow up on items from the HR Audit (quick check in) - September 12th
- Follow up on the Transportation Audit – September 12th

6. Next Meeting: September 12, 2025 - Information

7. Adjournment

At 10:08 AM, Mr. Sharkey moved to adjourn the Audit Committee meeting. Ms. Beasley seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 25th day of July 2025