

## **Special Called Audit Committee Meeting**

October 1, 2025 – 9:00 am

### **Attendees:**

Larry Forester (Audit Committee Chair)  
Nick Clark (Internal Auditor for the District)  
Greg Hodge (Audit Committee Vice Chair)  
Dave Osborne (Committee Member)  
Lindsey Dial (Committee Member)  
Amy Green (School Board Representative)  
Josh Salsburey (Board Attorney)

### **Engage and X-plore**

The meeting was called to order at 9:05 AM by Larry Forester, Audit Committee Chair.

Nick Clark provided an update on questions from the previous meeting, clarifying the calculation for the state-required 2% contingency. He noted that while the state's requirement is met, the budget approved last week fell below the district's procedural goal of a 6% contingency. Amy Green clarified that the 6% target is an administrative procedure, not a board policy, so its non-observance was not a policy violation. The board has requested that the superintendent and management develop a plan to return the District to the 6% level.

### **Communicate**

Board Attorney Josh Salsburey was present to provide legal guidance regarding the inclusion of the personnel allegations in the audit's scope. Mr. Salsburey recommended that the Request for Proposal (RFP) should not ask an auditing firm to address or opine on alleged personnel violations. He stated that such a task is legally outside the scope of an auditing firm's qualifications and would be duplicative of an ongoing, confidential investigation. He indicated that the committee can, and should, still task the auditor with examining the quality of communications and what budget information the board did or did not receive.

The committee discussed and reached an agreement on the key components to be included in the scope of work for the RFP. It was determined that the audit should include a comprehensive review of the budget process from start to finish, addressing forecasting, assumptions, documentation, and communication with the board. This review will also incorporate benchmarking against best practices to strengthen future processes. Additionally, the scope will evaluate the organizational structure of the finance and budget departments, which currently operate separately, to identify potential areas for improvement. Emphasis should be placed on data analytics and risk assessment, with the firm expected to use large-scale data analysis rather than simple sampling. Analytical tools should be applied to review all revenue and expenditure data files to identify anomalies and trends, which will inform a risk assessment and guide areas for further review. A formal forensic audit would only be considered if this

initial assessment reveals specific concerns. The committee also identified specific focus areas, including a review of travel and event expenses for senior leadership and an analysis of the key drivers that led to the projected budget shortfall in the tentative budget, despite the final budget being balanced. Furthermore, the review should evaluate the monitoring of budget-to-actual reports, focusing on who receives them and what actions are taken at both the management and board levels. Finally, the scope will require ensuring that all processes comply with applicable state and local policies and statutes.

Nick Clark provided a full recap of the agreed-upon scope for the RFP. A motion to approve this scope was made by Greg Hodge and seconded by Lindsey Dial. The motion carried with all in favor.

Nick Clark will take the approved scope and incorporate it into the district's standard RFP template. The committee will reconvene to review and approve the RFP.

**Adjournment:**

A motion to adjourn the committee meeting was made by Greg Hodge. The motion was seconded by Lindsey Dial. The motion carried with all in favor. The meeting was officially adjourned at 9:43 am.