

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

AUDIT COMMITTEE

Tuesday, October 24, 2023, No Sooner Than 10:10 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Kathy L. Mohr-Almeida, Chairman; Anda McAfee, Vice Chairman; and Robert Arnett, Mario Herrera, Kevin Johnson, Mark Pace, Larry Rovey, and Paul Rovey

Call to Order

Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIRMAN KATHY MOHR-ALMEIDA
 - Request for approval of the minutes for the meeting of September 19, 2023.
2. Executive Session, Pursuant to A.R.S. §38-431.03(A)(9), for Discussions or Consultations with Designated Representatives of SRP with Respect to a Confidential Cyber Security Review of SRP's Cyber Security Strategies and Current Cyber Security Work with Government Partners..... MIKE FISH
3. Report on Current Events by the General Manager and Chief Executive Officer or Designees JIM PRATT
4. Future Agenda Topics.....CHAIRMAN KATHY MOHR-ALMEIDA

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT AUDIT COMMITTEE MEETING IS
SCHEDULED FOR TUESDAY, NOVEMBER 14, 2023

10/17/2023

MINUTES
AUDIT COMMITTEE

DRAFT

September 19, 2023

A meeting of the Audit Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 11:47 a.m. on Tuesday, September 19, 2023, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were K.L. Mohr-Almeida, Chairman, A.G. McAfee, Vice Chairman; and K.J. Johnson, M.V. Pace, L.D. Rovey, and P.E. Rovey.

Committee Members absent at roll call were R.C. Arnett and M.J. Herrera.

Also present at roll call were President D. Rousseau; Board Members N.R. Brown, R.J. Miller, and J.M. White Jr.; Council Vice Chairman R.J. Shelton; Council Liaison M.C. Pedersen; Council Members M.L. Farmer and G.E. Geiger; Mmes I.R. Avalos, M.J. Burger, K.M. Golubchik, L.F. Hobaica, B.A. Holiday, K.B. Kochenderfer, G.A. Mingura, S.A. Perkinson, J. Radke, and C.M. Sifuentes; and Messrs. J. Broadbent, P.M. Christiansen, M. Feder, J.M. Felty, R.T. Judd, B.J. Koch, K.J. Lee, R. Navarro, M.J. O'Connor, B.A. Olsen, D.R. Politi, J.M. Pratt, and J.I. Riggs.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Audit Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, September 15, 2023.

Chairman K.L. Mohr-Almeida called the meeting to order.

Consent Agenda

Chairman K.L. Mohr-Almeida requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member P.E. Rovey and seconded by Board Member M.V. Pace, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on June 13, 2023, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member P.E. Rovey’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

- YES: Board Members K.L. Mohr-Almeida., Chairman, A.G. McAfee, (6)
Vice Chairman; and K.J. Johnson, M.V. Pace, L.D. Rovey, and
P.E. Rovey
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: Board Members R.C. Arnett and M.J. Herrera (2)

Review of Audit Activity for Three Months
Ended July 31, 2023

Using a PowerPoint presentation, Reuben T. Judd, SRP Corporate Auditor, stated that the purpose of the presentation was to review the audit reports and activity for three months ended July 31, 2023. He reviewed the Fiscal Year 2024 (FY24) audit plan status as of July 31, 2023, and audits completed or in progress. Mr. R.T. Judd introduced Kristin M. Golubchik, SRP Manager of Audit Projects.

Continuing, Ms. K.M. Golubchik briefed the Committee on the Dry Lake/Poseidon Wind Purchase Power Agreements and introduced Paul M. Christiansen, SRP Senior Auditor.

Continuing, Mr. P.M. Christiansen provided the background, audit approach, key risk areas, audit procedures, and audit results regarding the Dry Lake/Poseidon Wind Purchase Power Agreements.

Ms. K.M. Golubchik; and Messrs. R.T. Judd and P.M. Christiansen responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Corporate Audit Services Internal Quality Assessment

Using a PowerPoint presentation, Marcus Feder, SRP Director and Assistant Corporate Auditor, stated that the purpose of the presentation was to provide information regarding the internal quality assessment of Corporate Audit Services (CAS) for FY23. He introduced Jennifer Radke, SRP Principal Auditor Senior.

Continuing, Ms. J. Radke explained that external quality assessments are required by the International Professional Practices Framework (IPPF) every five years; SRP has moved to have external audits every four years; and CAS conducts an internal assessment in the years that external audits are not conducted.

Ms. J. Radke said that the FY23 internal assessment is in compliance with the IPPF standards code of ethics and generally complies in all attribute and performance standards. She said that CAS has met all standards.

In conclusion, Ms. J. Radke reviewed the following items to consider in future activities and plans: 1) update and obtain approval of the Audit Committee Charter; 2) increasing the use of data analytics early in each audit; 3) consider using “Conforms with the International Standards for the Professional Practice of Internal Auditing” as standard language in audit reports; and 4) include ethics in audit planning and review the audit universe to ensure ethics is included in the risk dimensions.

Ms. J. Radke and Mr. M. Feder responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Review of Paid Vouchers for Fiscal Year Quarter Ended July 31, 2023, for the District and Association

Dale R. Politi, SRP Assistant Treasurer of Cash Management, presented the paid vouchers for the fiscal year quarter ending July 31, 2023.

Mr. D.R. Politi responded to questions from the Committee.

Chairman K.L. Mohr-Almeida asked if the Committee would like to make a motion to go into Executive Session to review the paid vouchers exempt by law from public inspection for the fiscal year quarter ending July 31, 2023. There was no motion to go into Executive Session.

Copies of the paid vouchers report used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Board Member A.G. McAfee left the meeting during the presentation.

Review of Purchase Orders, Contracts, and Revisions Equal to or Greater than \$1,000,000

Jaren Broadbent, SRP Director of Purchasing Services, reviewed the Report of Purchase Orders and Revisions Over \$1,000,000 issued for the period May 1, 2023 through July 31, 2023 under authority granted by the Board on September 9, 2019.

Mr. J. Broadbent responded to questions from the Committee.

Copies of the handouts distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Mr. J.I. Riggs left the meeting during the presentation.

Report on Current Events by the General Manager and
Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman K.L. Mohr-Almeida asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Audit Committee, the meeting adjourned at 12:14 p.m.

Lora F. Hobaica
Assistant Corporate Secretary