AUDIT COMMITTEE
Tuesday, May 17, 2022, No Sooner Than 10:05 AM
SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ  85281

This SRP District Committee meeting will be held in the Board Committee Room with an option to attend in-person or observe via Zoom. The public may receive the teleconference meeting access information by contacting the Corporate Secretary’s Office at (602) 236-4398. Supplemental materials will be posted on the SRP website.

Committee Members: Robert Arnett, Chairman; Nick Brown, Vice Chairman; and Mario Herrera, Kevin Johnson, Larry Rovey, Stephen Williams, and Keith Woods

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 ROBERT ARNETT

   • Request for approval of the minutes for the meeting of April 19, 2022

2. **Report on Current Events by the General Manager and Chief Executive Officer or Designees** .......................................................... AIDAN McSHEFFREY

3. **Future Agenda Topics**.................................................. CHAIRMAN ROBERT ARNETT

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. §30-808, for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: 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, JUNE 21, 2022

05/10/2022
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 11:51 a.m. on Tuesday, April 19, 2022, in-person and via teleconference from the 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 R.C. Arnett, Chairman; N.R. Brown, Vice Chairman; and V.M. Flores, M.J. Herrera, K.J. Johnson, L.D. Rovey, and K.B. Woods.

Committee Member absent at roll call was S.H. Williams.


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, April 15, 2022.

Chairman R.C. Arnett called the meeting to order.

Consent Agenda

Chairman R.C. Arnett requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Board Member K.B. Woods, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on March 22, 2022, as presented

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera’s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:
Review of Audit Activity for Three Months
Ended January 31, 2022

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 January 31, 2022. He reviewed the Fiscal Year 2022 (FY22) audit plan status as of January 31, 2022, audit client feedback for third quarter FY22, audit reports for third quarter FY22, key audits in progress, and FY22 department goals and initiatives.

Mr. R.T. Judd 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 Annual Self-Assessment Review

Using a PowerPoint presentation, Mr. R.T. Judd stated that the purpose of the presentation was to review the SRP Audit Committee Self-Assessment Survey for FY22. He said that 13 areas were assessed in accordance with its purpose, composition, operation, and its implementation.

Mr. R.T. Judd stated that the results of the self-assessment provided strengths and opportunities. He concluded with a review of a timeline going forward.

Mr. R.T. Judd 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.

Internal Quality Assessment of Corporate Audit Services

Using a PowerPoint presentation, Mr. R.T. Judd stated that the purpose of the presentation was to provide information regarding the internal quality assessment of Corporate Audit Services (CAS) for FY22. He 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.
Mr. R.T. Rudd said that the FY22 assessment was in compliance with the IPPF standards code of ethics and generally complies in all attribute and performance standards. He reviewed the following opportunities for improvement: increasing the use of data analytics; providing results to the Committee; utilizing conformance to IPPF standards in reports; and associating audits with specific enterprise strategies.

Mr. R.T. Judd 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.

Executive Session: Cyber Security

Chairman R.C. Arnett requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(9), for presentation and discussion of security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by SRP including cyber security actions taken in response to current events and discussion of geopolitical issues impacting cyber security.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member K.B. Woods and carried, the Audit Committee convened into executive session at 12:17 p.m.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera’s motion to enter into executive session. The vote was recorded as follows:

- **YES:** Board Members R.C. Arnett, Chairman; N.R. Brown, Vice Chairman; and V.M. Flores, M.J. Herrera, K.J. Johnson, L.D. Rovey, and K.B. Woods (7)
- **NO:** None (0)
- **ABSTAINED:** None (0)
- **ABSENT:** Board Member S.H. Williams (1)

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

There was no report on current events by Mike Hummel, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman R.C. Arnett asked the Committee if there were any future agenda topics. Board Member K.B. Woods requested a report on SRP’s action on evaluation of external audit performance.

There being no further business to come before the Audit Committee, the meeting adjourned at 12:29 p.m.

John M. Felty
Corporate Secretary