

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

AUDIT COMMITTEE

Tuesday, August 16, 2022, No Sooner Than 10:25 AM

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

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: Jack White Jr., Chairman; Anda McAfee, Vice Chairman; and Randy Miller, Krista O'Brien, Mark Pace, Paul Rovey, and Leslie Williams

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 JACK WHITE JR.
 - Request for approval of the minutes for the meeting of June 21, 2022
2. Report on Current Events by the General Manager and Chief Executive Officer or Designees MIKE HUMMEL
3. Future Agenda Topics..... CHAIRMAN JACK WHITE JR.

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, SEPTEMBER 20, 2022

08/09/2022

MINUTES
AUDIT COMMITTEE

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June 21, 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 10:13 a.m. on Tuesday, June 21, 2022, 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 J.M. White Jr., Chairman; A.G. McAfee, Vice Chairman; and R.J. Miller, K.H. O'Brien, M.V. Pace, and P.E. Rovey.

Committee Member absent at roll call was L.C. Williams.

Also present were President D. Rousseau; District Vice President C.J. Dobson; Board Members N.R. Brown, L.D. Rovey, and S.H. Williams; Council Vice Chairman J.R. Shelton; Council Liaisons A.A. Freeman and R.S. Kolb; Council Members M.L. Farmer, M.A. Freeman, J.W. Lines, M.R. Mulligan, and B.E. Pacey; Mmes. K.J. Barr, M.J. Burger, A.P. Chabrier, G.A. Mingura, and C.M. Sifuentes; and Messrs. J. Broadbent, J.D. Coggins, A.C. Davis, J. Evancevich, M. Feder, J.M. Felty, M. Hummel, T.L. Johnson, R.T. Judd, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, D.R. Politi, J.M. Pratt, D.C. Roberts, and R.R. Taylor.

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, June 17, 2022.

Due to both the Committee Chair and Vice Chair participating via teleconference, Board Member M.V. Pace assumed the Chair.

Consent Agenda

Acting Chairman M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

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

- Minutes of the Audit Committee meeting on May 17, 2022, as presented

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

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| YES: | Board Members J.M. White Jr., Chairman; A.G. McAfee, Vice Chairman; and R.J. Miller, K.H. O’Brien, M.V. Pace, and P.E. Rovey | (6) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | Board Member L.C. Williams | (1) |

Corporate Audit Services Quarterly Review and Annual Summary

Using a PowerPoint presentation, Reuben T. Judd, SRP Corporate Auditor, stated that the purpose of the presentation was to review the audit activity for the three months ending April 30, 2022, and annual summary for Fiscal Year 2022 (FY22).

Mr. R.T. Judd reviewed the status of the FY22 Audit Plan. He concluded with a review of the fourth quarter audit reports and activity of audits in progress.

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.

Board Member L.C. Williams entered the meeting during the presentation.

Request for Approval of the Proposed FY23 Audit Plan

Using a PowerPoint presentation, Mr. R.T. Judd stated that the purpose of the presentation was to request approval of the proposed FY23 Audit Plan. He provided an overview along with a timeline of the audit planning process from February to June 2022, a composition of the audit planning funnel, and an overview of FY23 risks areas.

Mr. R.T. Judd reviewed the characteristics of the proposed Audit Plan for FY23 and compared the FY22 Audit Plan to the FY23 Audit Plan. He introduced John Evancevich, SRP Manager of Audit Services; Marcus Feder, SRP Assistant Corporate Auditor; and Thomas L. Johnson, SRP Manager of Audit Projects.

Mr. J. Evancevich detailed compliance audits and contract and joint venture audits. Mr. M. Feder detailed financial and operational audits. Mr. T.L. Johnson detailed information technology audits. Mr. R.T. Judd presented the SRP internal audit team and concluded by requesting approval of the proposed FY23 Strategic Risk-Based Audit Plan, as presented.

On a motion duly made by Board Member P.E. Rovey, seconded by Board Member R.J. Miller and carried, the Committee agreed to recommend Board approval.

Corporate Secretary J.M. Felty polled the Committee Members via teleconference on Board Member P.E. Rovey’s motion to approve the recommendation as presented. The vote was recorded as follows:

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|------------|---|-----|
| YES: | Board Members J.M. White Jr., Chairman; A.G. McAfee, Vice Chairman; and R.J. Miller, K.H. O’Brien, M.V. Pace, P.E. Rovey, and L.C. Williams | (7) |
| NO: | None | (0) |
| ABSTAINED: | None | (0) |
| ABSENT: | None | (0) |

Copies of the handouts distributed and 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 April 30, 2021, for the District and Association

Dale R. Politi, SRP Assistant Treasurer of Cash Management, presented the paid vouchers for the fiscal year quarter ending April 30, 2022. He responded to questions from the Committee.

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.

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 Equal to or Greater than \$1,000,000 issued for the period February 1, 2022 through April 30, 2022 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.

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

Acting Chairman M.V. Pace 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 11:03 a.m.

John M. Felty
Corporate Secretary