

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

AUDIT COMMITTEE

Tuesday, February 20, 2024, No Sooner Than 10:20 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 December 7, 2023.

2. Corporate Audit Services – Audit Committee Self-Assessment REUBEN JUDD

Informational presentation regarding the process that will be followed to conduct the self-assessment for the current fiscal year, as outlined in the SRP Audit Committee Charter.

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 THURSDAY, MARCH 14, 2024

MINUTES
AUDIT COMMITTEE

DRAFT

December 7, 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 11:10 a.m. on Thursday, December 7, 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 R.C. Arnett, M.J. Herrera, K.J. Johnson, M.V. Pace, L.D. Rovey, and P.E. Rovey.

Also present at roll call were President D. Rousseau; Vice President C.J. Dobson; Board Members S.H. Williams and K.B. Woods; Council Vice Chairman J.R. Shelton; Council Liaison M.C. Pedersen; Council Members M.L. Farmer and G.E. Geiger; Mmes. I.R. Avalos, S. Gardner, L.F. Hobaica, K.B. Kochenderfer, K.L. Lee, L.A. Meyers, K.M. Montalvo, S.A. Perkinson, and C.M. Sifuentes; Messrs. J.M. Baran, A.C. Davis, J. Evancevich, M. Feder, J.M. Felty, C.R. Janick, R.T. Judd, B.J. Koch, K.J. Lee, A.J. McSheffrey, M.J. O'Connor, R.D. Olsen, J.M. Pratt, D.R. Politi, J.I. Riggs, and J.A. Wright; and Dan McGill and Raúl Piña from PricewaterhouseCoopers (PwC).

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 Tuesday, December 5, 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 M.V. Pace and seconded by Board Member P.E. Rovey, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on October 24, 2023, 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:

YES:	Board Members K.L. Mohr-Almeida, Chairman; A.G. McAfee, Vice Chairman; and R.C. Arnett, M.J. Herrera, K.J. Johnson, M.V. Pace, L.D. Rovey, and P.E. Rovey.	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Engagement of PwC for Fiscal Year 2024 (FY24) Audit

External Audit Process

Sue Ann Perkinson, SRP Controller and Senior Director of Corporate Accounting Services, introduced Raúl Piña of PwC.

Using a PowerPoint presentation, Mr. R. Piña summarized the external audit process including auditor and management responsibilities, audit objectives, and risk assessment results. He summarized the audit plan and explained the audit strategy and approach for the audits in FY24.

Recommendation

Using a PowerPoint presentation, Ms. S.A. Perkinson requested approval for PwC to serve as an independent public accountant for audits conducted for FY24.

On a motion duly made by Board Member M.V. Pace and seconded by Vice Chairman A.G. McAfee and carried, the Committee agreed to recommend Board approval.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.V. Pace’s motion for approval. The vote was recorded as follows:

YES:	Board Members K.L. Mohr-Almeida, Chairman; A.G. McAfee, Vice Chairman; and R.C. Arnett, M.J. Herrera, K.J. Johnson, M.V. Pace, L.D. Rovey, and P.E. Rovey.	(7)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Copies of the handout 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 Audit Activity for Three Months Ended October 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 ending October 31, 2023. He introduced John Evancevich, SRP Manager of Audit Projects.

Continuing, Mr. J. Evancevich reviewed the FY24 audit plan status as of October 31, 2023, and audits completed or in progress and introduced, Suzanne Gardner, SRP Principal Auditor.

Continuing Ms. S. Gardner provided the background, audit approach, key risk areas, audit results, and pictures regarding the Navajo Generating Station (NGS) Decommissioning Project Audit. She introduced Ryan D. Olsen, SRP Associate Auditor.

Continuing Mr. R.D. Olsen discussed the background, audit approach, key risk areas, audit procedures, and audit results regarding the Renewables Purchase Power Billings Audit.

Ms. S. Gardner; and Messrs. J. Evancevich, R.T. Judd, and R.D. Olsen 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.

Ms. S. Perkinson; Mr. J.A. Wright; and Dan McGill and Raúl Piña of PwC left the meeting.

Review of Paid Vouchers for Fiscal Year Quarter Ended October 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 October 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 October 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.

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

Kristina L. Lee, SRP Director of Purchasing Services, reviewed the Report of Purchase Orders and Revisions Over \$1,000,000 issued for the period August 1, 2023 through October 31, 2023 under authority granted by the Board on September 9, 2019.

Ms. K.L. Lee 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

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reported on a variety of federal, state, and local topics of interest to the Committee.

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 11:43 a.m.

Lora F. Hobaica
Assistant Corporate Secretary

CORPORATE AUDIT SERVICES



FY 2024 AUDIT COMMITTEE SELF-ASSESSMENT

PRESENTED: FEBRUARY 20, 2024



Delivering water and power™

FY 2024 AUDIT COMMITTEE SELF-ASSESSMENT

ASSESSMENT CALLED FOR IN AUDIT COMMITTEE CHARTER

- **Purpose:** Charter, Role, Expectations, Reporting
- **Composition:** Membership and Independence
- **Operation:** Organization, Activities, Resources, Meetings, Agendas, Relationships
- **Implementation:** Periodic Self-Assessments: Audit Committee; Internal and External Audit Performance

FY 2024 AUDIT COMMITTEE SELF-ASSESSMENT

ASSESSMENT PROCESS – KEY DATES

- Distribution of Self-Assessment (2/20/2024)
- Audit Committee Members Complete Self-Assessment and Return to Secretary's Office (3/5/2024)
- Results Compiled and Reported (3/14/2024 Audit Committee Mtg.)

QUESTIONS





Reuben Judd, Corporate Auditor
P.O. Box 52025
Phoenix, AZ 85072-2025

February 20, 2024

Dear Audit Committee Member,

Attached is the FY 2024 Audit Committee self-assessment survey for you to complete and return to the Corporate Secretary's Office.

Please complete and return the survey by Tuesday, March 5, 2024.

We will compile the results of the self-assessment and present them in an upcoming Audit Committee meeting.

Thank you for your assistance,

A handwritten signature in blue ink, appearing to read 'RJudd', is positioned above the typed name.

Reuben Judd
SRP Corporate Auditor

SRP Audit Committee Self-Assessment

When completed, please return to: Lora Hobaica, SRP Corporate Secretary's Office PO Box 52025 Phoenix, Arizona 85072-2025	Please rank each item as follows: <hr/> 5 – Very Strong <hr/> 4 – Strong <hr/> 3 – Satisfactory <hr/> 2 – Adequate But Needs Improvement <hr/> 1 – Significant Improvement Needed
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COMMITTEE PURPOSE		RANK (5 TO 1)
Charter:	Committee direction is set by a clear, company-specific charter approved by the full board, understood by all committee members, and used to guide committee activities.	_____
Role:	“Listen and Act.” Committee members listen empathetically, with the ability and courage to also challenge and act where necessary.	_____
Expectations:	Committee expectations are clearly discussed with and understood by management, auditors, and other advisors.	_____
Reporting:	Meaningful, timely, focused reports are provided to the board, and are understood by all.	_____
Comments and Opportunities for Improvement (include name with comments):		

COMMITTEE COMPOSITION		RANK (5 TO 1)
Membership:	A mix of financial and other relevant topics are present to address a range of issues and risks. A strong, yet not dominant chair with strong leadership skills and a knowledge of relevant matters.	_____
Independence:	Members are independent in mindset, bringing consistent, objective insight into all aspects of monitoring and oversight activities.	_____
Comments and Opportunities for Improvement (include name with comments):		

SRP Audit Committee Self-Assessment

COMMITTEE OPERATION	RANK (5 TO 1)
<p>Organization: Overall organizational effectiveness, with coordinated basic elements such as charter, membership, and implementation.</p>	_____
<p>Activities: An annual committee plan, carefully tailored by the committee to the specific environment, with input from auditors, management, and the board.</p>	_____
<p>Resources: The right information is received at the right time, focused on performance measures and important current and potential business and financial risks. Regular committee and/or committee chair contact with the President and/or Secretariat for coordination with senior management, internal auditors, and external auditors.</p>	_____
<p>Meetings: Effective management of committee member and meeting time. Effective, balanced use of quality pre-read materials, and meeting dialogue, with time focused on relevant matters.</p>	_____
<p>Agendas: Highly focused meeting agendas responsive to the committee charter. Specifically, financial reporting, monitoring of risk management (risk identification and control), and the audit function.</p>	_____
<p>Relationships: Supportive and trusting yet inquisitive relationships with management, auditors, and other advisors. The tone for teamwork and effective communications is set by the committee.</p>	_____
<p>Comments and Opportunities for Improvement (include name with comments):</p> <hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/>	

COMMITTEE IMPLEMENTATION	RANK (5 TO 1)
<p>Assessment: Periodic self-assessment of the above elements, as well as periodic assessment of internal and external audit performance as appropriate.</p>	_____
<p>Comments and Opportunities for Improvement (include name with comments):</p> <hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/>	