

**SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND  
POWER DISTRICT MEETING NOTICE AND AGENDA – AMENDED**

**AUDIT COMMITTEE**

**Tuesday, May 21, 2024, No Sooner Than 10:20 AM**

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

Committee Members: Kathy L. Mohr-Almeida, Chairman; and Robert Arnett, Casey Clowes,  
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 April 23, 2024.
2. Review of Audit Activity for Three Months Ended January 31, 2024  
..... REUBEN JUDD, MARCUS FEDER,  
KRISTIN GOLUBCHIK, and PAUL CHRISTIANSEN
3. Report on Current Events by the General Manager and Chief Executive Officer and 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, JUNE 18, 2024**



MINUTES  
AUDIT COMMITTEE

DRAFT

April 23, 2024

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 Thursday, April 23, 2024, 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 Vice President C.J. Dobson; Board Members N.R. Brown, K.H. O'Brien, J.M. White Jr. S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis, Council Vice Chairman J.R. Shelton; Council Liaison M.C. Pedersen; Council Members M.L. Farmer, A.S. Hatley, and D.B. Lamoreaux; Mmes. I.R. Avalos, K.R. Beranek, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, L.A. Meyers, G.A. Mingura, and D.D. Patterson; Messrs. J.D. Coggins, J.M. Felty, M.B. Fish, R.T. Judd, B.J. Koch, K.J. Lee, M.J. O'Connor, B.A. Olsen, and J.M. Pratt; Council Member elect Eric Gorsegner; and Andy McCoy of the Arizona Attorney General's Office.

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 19, 2024.

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.J. Herrera and seconded by Vice Chairman A.G. McAfee, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on March 14, 2024, 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:

- 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 (8)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: None (0)

Review of the Results of the Annual Audit Committee Self-Assessment

Using a PowerPoint presentation, Reuben T. Judd, SRP Corporate Auditor, reviewed the results of the annual Audit Committee Self-Assessment for Fiscal Year 2024 (FY24), as outlined in the SRP Audit Committee Charter. He said that 13 areas were assessed in accordance with its purpose, composition, operation, and implementation.

Mr. R.T. Judd said that the results of the self-assessment provided strengths and opportunities. He concluded with a review of a timeline going forward and a summary of Assessment results from FY18 to FY24.

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 K.L. Mohr-Almeida requested a motion to enter into 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.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member M.V. Pace and carried, the Audit Committee convened into executive session at 10:18 a.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 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 (8)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: None (0)

Andy McCoy of the Arizona Attorney General's Office left the meeting.

The Committee reconvened into open session at 10:58 a.m. with the following members and others present Vice President C.J. Dobson; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, A.G. McAfee, K.L. Mohr-Almeida, K.H. O'Brien, M.V. Pace, L.D. Rovey, P.E. Rovey, J.M. White Jr., S.H. Williams, and K.B. Woods; Council Chairman T.M. Francis, Council Vice Chairman J.R. Shelton; Council Liaison M.C. Pedersen; Council Members M.L. Farmer, A.S. Hatley, and D.B. Lamoreaux; Mmes. I.R. Avalos, K.R. Beranek, M.J. Burger, A.P. Chabrier, L.F. Hobaica, V.P. Kisicki, L.A. Meyers, G.A. Mingura, and D.D. Patterson; Messrs. J.D. Coggins, J.M. Felty, M.B. Fish, R.T. Judd, B.J. Koch, K.J. Lee, M.J. O'Connor, B.A. Olsen, and J.M. Pratt; and Council Member elect Eric Gorsegrner.

Andy McCoy of the Arizona Attorney General's Office entered the meeting.

Response to Director Miller's Questions Regarding a Recent SRP Communication to SRP Employees

Jim M. Pratt, SRP General Manager and Chief Executive Officer, reviewed the materials distributed to the Members relative to Director Miller's questions regarding a recent SRP communication to SRP employees. He provided responses to Director Miller's questions.

Mr. J.M. Pratt responded to questions from the Committee.

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

Andy McCoy of the Arizona Attorney General's Office left the meeting during agenda item.

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

There was no report on current events by Mr. J.M. Pratt.

Board Member K.H. O'Brien and Andy McCoy of the Arizona Attorney General's Office left the meeting.

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 11:27 a.m.

Lora F. Hobaica  
Assistant Corporate Secretary





An aerial photograph of a large dam and reservoir situated in a deep, rugged canyon. The canyon walls are composed of layered, reddish-brown rock formations. The reservoir is a deep blue color, and the dam is a long, curved structure across the bottom of the canyon. The sky is a clear, pale blue.

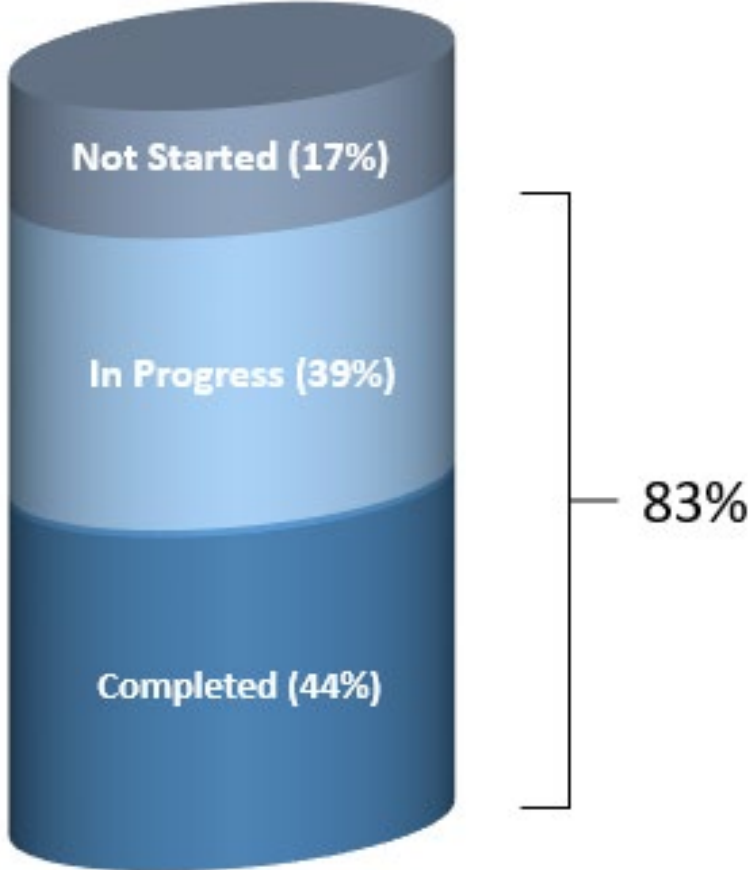
# Corporate Audit Services Review of Three Months of Audit Activity

SRP AUDIT COMMITTEE

MAY 21, 2024



# FY 2024 AUDIT PLAN STATUS – Q3



<b>Total Planned Audits</b>		<b>106</b>
Completed	<b>47</b>	
In Progress	<b>41</b>	
Not Started	<b>18</b>	

<b>Investigations</b>		<b>-</b>
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<b>Audit Reports Issued Since Last Report</b>		<b>27</b>
Audits on FY 2024 Plan	<b>23</b>	
Management Requests	<b>4</b>	

<b>Client Satisfaction Survey Results</b>		
<b>FY 2024</b>	<b>4.5</b>	<b>Scale: 1-5</b>

<b>Open Audit Recommendations</b>		<b>37</b>
On Track to Complete	<b>37</b>	

# AUDITS COMPLETED OR IN PROGRESS – Q3

- Advanced Distribution Management System
- Alert Enterprise (SAFE Replacement)
- Bank & Trustees IT Controls
- Business Continuity/Disaster Recovery
- Central Prepay
- Customer System Modernization Replacement
- Cyber Security Ransomware
- Data Center Relocations
- **Data Loss Prevention**
- Data Privacy
- EMS Monarch
- Energy Imbalance Market
- Field Area Network & JMUX Replacement
- Hosted Solutions
- Information Management – Structured Data

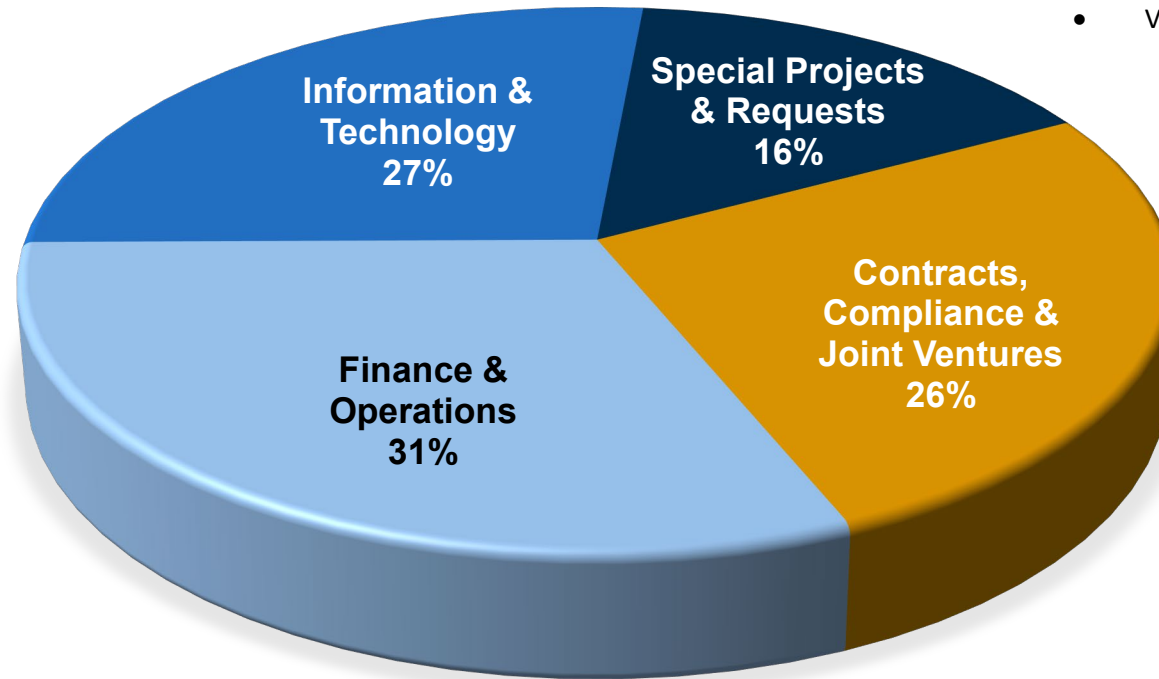
- ISIM Replacement
- IT/OT Interconnections
- MDMS Replacement
- One Workforce Post-Implementation
- Password Management Solutions
- Patch Management
- Water Scheduling Application

- Contract Reviews
- ERC Internal Controls
- SRP Bill Print – Risk Consulting
- Strategic Risk Management
- Vendor Master File Maintenance

- Accounts Payable Feeder Systems
- ACH/Surepay & eChex
- Creative Services - Productions
- Employee Performance Incentive Program
- Federal Grant Compliance
- GRC Ruleset Risks & Mitigating Controls
- Hedging Program Review – Follow up
- Human Resources
- Investment Recovery Services
- Papago Park Center Review
- PricewaterhouseCoopers Audit Assistance
- Review of PwC Audit Work
- Risk Oversight Committee
- Supply Chain Risks
- Third-Party Risk Management (Supply Chain)

- Travel, Procurement & Hosting Expenses
- Security Risk Oversight Committee
- Voluntary Contribution in Lieu of Property Taxes

- Able-Pfister Transmission
- ADOT Broadway Curve
- ADOT Contract Support
- Cable Replacement Program
- Contract Reviews
- Dry Lake Wind
- Hi-Tech Interconnect Project
- Mead-Phoenix WAPA
- Mead-Phoenix Westwing
- NERC/WECC Reliability
- New Customer Interconnection
- New River Aqua Fria (NAUSP)
- NGS Decommissioning
- Palo Verde O&M
- PV – Pinal Central O&M
- Participant Audit Committees
- Purchase Power Renewables
- Southeast Power Link
- Southwest Reserve Sharing
- Springerville O&M
- Yampa/ Craig O&M



# DATA LOSS PREVENTION



**Kristin Golubchik**  
ASU BS Accounting  
CPA, CIA, CISA  
11 years at SRP  
21 years audit  
experience



**Paul Christiansen**  
BYU MAcc  
CPA, CIA, CISA  
1.5 years at SRP  
23 years audit  
experience

Overview

Audit Approach

Key Areas of Risk

Recommendations



# DATA LOSS PREVENTION

## Overview - “We live in a new world. SRP must be proactive.”

- SRP employs a defense-in-depth approach to protecting SRP cyber resources, meaning there are multiple layers of controls and efforts to keep SRP cyber resources secure.
- This is achieved by deploying advanced principled data privacy & protection practices that will safeguard sensitive data and support emerging technologies.
- Data Loss Prevention (DLP) is a set of tools and processes used to ensure that sensitive data is not lost, misused, or accessed by unauthorized users. It protects sensitive information that could cause damage to the business and/or may require legal notifications if compromised or otherwise shared
- Malicious users can intentionally exfiltrate data for personal gain.

# DATA LOSS PREVENTION

## Audit Approach

- Review policies, procedures, and practices at SRP that ensure that sensitive data is not lost, misused, or accessed by unauthorized users.
- Assess SRP's maturity and readiness to prevent DLP incidents.
- Provide recommendations to improve maturity and readiness.

# DATA LOSS PREVENTION

## Key Areas of Risk

- Policy and Governance
- Classification and Prioritization of Sensitive Data
- Education of Employees and Stakeholders
- Identification and Monitoring:
  - Data at Rest
  - Data in Motion
  - Data at Rest
- Rules and Alerts
- Incidents, Outcomes, and Metrics



# DATA LOSS PREVENTION

## Recommendations

- Formalize the DLP control governance plan that aligns with information technology and cyber security policies and standards, with clear statement of DLP objectives.
- Verify the existing rules and alerts within the DLP toolset fully address SRP's data protection needs as outlined in the governance plan. Establish a process to periodically refine the alerts to minimize false positives, and define and document how alerts are handled.
- Develop a timeline for expanding DLP controls to other channels and complete the deployment of an endpoint solution per the project plan.
- Develop metrics detailing DLP efforts and report these metrics to key stakeholders.

**THANK YOU**