

**FINANCE & AUDIT COMMITTEE (F&AC)**

State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016

August 17, 2023  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved (10/19/2023))**

**MEMBER ATTENDANCE:**

**P = present in person; T = present telephonically; A= absent.**

**T – Doreen McPaul, Chair**

**T – Mignonne Hollis, Vice Chair**

**T – Dave Byers**

**A – Denis Fitzgibbons**

**T – David Rosenbaum**

**T – Chris Russell**

**T – Elizabeth Schmitt**

**T – Cliff Hill (Client Protection Fund Board Liaison/Non-voting F&AC member)**

**A – Benjamin Taylor (President – Board of Governors)**

**OTHER ATTENDEES:**

**State Bar Staff:**

**T - Joel England**

**T – Kathy Gerhart**

**T - Maret Vessella**

**T - Joe Hengemuehler**

**T – Deanna Commack**

**T - Lori Maxwell**

**T - Lisa Panahi**

**T – Roberta Tepper**

**T – Carrie Sherman**

**T – Trish McCarty**

**T – Jessica Iennarella**

**Mayer Hoffman McCann P.C.:**

**T – Allan C. Klose (Managing Director & Shareholder)**

**T – Jeff McCormac (Senior Audit Associate)**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by:** Doreen McPaul

**Time:** 3:02 p.m.

**II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

**III. Presentation – Mayer Hoffman McCann P.C.**

**Individual(s) addressing the Committee:** Allan C. Klose

**Discussion:** Allan K. presented the consolidated State Bar of Arizona and Client Protection Fund 2022 audited financial statements, including an overview of the audit process.

**IV. Action/Vote – 2024 Budget Guidelines Memorandum**

**Individual(s) addressing the Committee:** Jessica Iennarella, Joel England

**Discussion:** Jessica I. and Joel E. presented the 2024 Budget Guidelines Memorandum, including a discussion regarding variances compared to 2023's guidelines.

**Motion/moved by:** Mignonne H. motioned to approve the 2024 Budget Guidelines Memorandum as presented.

**Seconded by:** David R.

**Motion:** Passed unanimously

**V. Discussion – Financial Policies & Processes Manual – Reminder**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. provided a reminder regarding the Financial Policies & Processes Manual, including highlighting pages most pertinent to the Committee.

**VI. Discussion – Auditor RFP Timeline - Update**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. provided an overview of the need to undergo an RFP process for the next five years of audit and tax preparation services, including the anticipated timeline for such a process. Also discussed five firms inviting to propose.

**VII. Discussion – Investment Subcommittee – Performance Update & Member Appointment**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. provided a status update regarding investment performance for the Bar's reserves. Further, an overview of the purpose of the Investment Subcommittee was provided and a minimum of two volunteers to serve on the committee for the 2023/2024 Board year were requested. Mignonne H., David R. and Elizabeth S. volunteered to serve.

**VIII. Information – CPF Q2 2023 Financial Statements**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented Client Protection Fund financial statements through 2<sup>nd</sup> quarter of 2023. Also discussed current claim volume and claim payouts approved at August's Trustee's meeting.

**IX. Information – State Bar of Arizona June 2023 Financial Update**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. provided an update regarding significant financial activities through June 2023, including annual fees collection for 2023 and the personnel budget.

**X. Information – 2023 2<sup>nd</sup> Quarter Reports**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented mandatory quarterly reporting for 2<sup>nd</sup> quarter of 2023, along with the CEO/ED and CFO Certification of Financial Statement and Policy Compliance.

**Meeting adjourned by:** Doreen McPaul at 3:59 p.m.