

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS	
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec		
Board Audit Committee Meeting Dates															
1	Meeting Dates	•	•							•	•	•	•	•	Note: The BAC approved a regular meeting schedule for 2020, to meet monthly, on the third Wednesdays at Noon, with the exception of January.
Board Audit Committee Management															
2	Election of 2020 BAC Chair and Vice Chair	•	•												<u>Recommendation:</u> Nominate and elect the 2020 Board Audit Committee Chair and Vice Chair.
3	Board Audit Committee Audit Charter							•							<u>Recommendation:</u> Propose modifications to the Board Audit Committee Audit Charter to be presented to the full Board.
4	Review and Update 2020 BAC Work Plan	•	•							•	•	•	•	•	<u>Recommendation:</u> A. Review and Discuss topics of interest raised at prior Board Audit Committee Meetings and make any necessary adjustments to the Board Audit Committee Work Plan; and B. Approve the updated 2020 Board Audit Committee Work Plan.
5	Discuss Scope of Annual Audit Training from Board Independent Auditor	•													<u>Recommendation:</u> Discuss scope of Annual Audit Training from Board Independent Auditor.
6	Receive Annual Audit Training from Board Independent Auditor								•						<u>Note:</u> Training will be given to the full Board on the audit process. Management to identify staff to attend the training. <u>Recommendation:</u> Receive Annual Audit Training from Board Independent Auditor on the Audit Process.
7	Conduct Annual Self-Evaluation	•	•												<u>Recommendation:</u> A. Conduct Annual Self-Evaluation; and B. Prepare Formal Report to provide to the full Board.
8	Receive and Discuss Board Auditor Activity Report to Evaluate Board Auditor Performance	•	•										•		<u>Recommendation:</u> Receive and discuss Board Auditor Activity Report from TAP International, Inc. to evaluate Board Auditor Performance.

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
9	Discuss Extension or Termination of Board Independent Auditor Contract for Board Independent Auditing Services Prior to Expiration of the Agreement Effective May 8, 2020.		•										Recommendation: A. Discuss option to extend Board Independent Auditor Contract with TAP International, Inc. for Board Independent Auditing Services currently scheduled to expire effective May 8, 2020; and B. Approve recommendation to the full Board to: 1. Allow the expiration of the Board Independent Auditor Contract with TAP International; or 2. Exercise option to extend Board Independent Auditor Contract with TAP International, Inc. for one year and increase the not-to-exceed amount by \$600,000 from \$1,005,000 to \$1,605,000.	
10	Discuss the Options to Increase the Board Independent Auditing Services Agreement Not-To-Exceed Amount							•					Recommendation: A. Discuss the Option to Increase the Board Independent Auditing Services Agreement; and B. Approve recommendation to the full Board to: 1. Exercise the option to increase the Board Independent Auditing services Agreement not-to-exceed amount by \$600,000 from \$1,005,000 to \$1,605,000; or 2. Continue with the current not-to-exceed amount of \$1,000,005 for the Board Independent Auditing Services Agreement with TAP International.	
Board Audit Committee Special Requests														
11	Discuss Potential Recommendation to Board to Authorize Release of Attorney-Client Privileged Documents to Board Independent Auditor		•					•					Recommendation: Discuss Potential Recommendation to Board to Authorize Release of Attorney-Client Privileged Documents to Board Independent Auditor.	
12	External Financial Auditor Meeting with Individual Board members												<u>Note:</u> Schedule as needed.	
13	Provide status report to full Board quarterly												<u>Note:</u> Report to be provided to Board in non-agenda the month after each BAC meeting.	
14	Discuss the Scope and Approach of the Ad-hoc Desk Reviews	•											Recommendation: Discuss the scope and approach of the ad-hoc Desk Reviews.	
15	Grant Management Ad-hoc Desk Review		•					•	•				Recommendation: Discuss the status of the on-going desk review.	
16	Hiring Practices Ad-hoc Desk Review		•					•					Recommendation: Discuss the status of the on-going desk review.	
17	Board Agenda Preparation Ad-hoc Desk Review		•										Recommendation: Discuss the status of the on-going desk review.	

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
18	Receive and Discuss Financial Analysis Regarding the Board Independent Auditing Services Contract	•	•											<p><u>Recommendation:</u> Receive and discuss Financial Analysis regarding the Board Independent Auditing Services Contract with TAP International, Inc.</p>
19	Valley Water Comprehensive Annual Financial Report Transparency and Policy Issues							•						<p><u>Recommendation:</u> Discuss and provide direction on the content and format of the Valley Water Comprehensive Annual Financial Report. A. Receive and discuss update on research regarding valuing water as an asset and other policy issues.</p>
20	QEMS & ISO Overview and Continuous Improvement Methodology Benchmarking Analysis											•	•	<p>Note: At the Dec '19 BAC meeting, the BAC approved new PO for \$25K min for Tanner Pacific, Inc. to prepare QEMS Methodology Benchmarking Analysis. <u>Recommendation:</u> Review and discuss overview of QEMS Process Improvement post ISO de-certification, and Benchmarking Analysis for 2020.</p>
Management and Third Party Audits														
21	Review Draft Audited Financial Statements												•	<p><u>Recommendation:</u> A. Review draft Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020; and B. Direct staff to have Financial Auditor to contact Board Members and present, if necessary.</p>
22	Audit Report of the Water Utility Enterprise Funds for the Fiscal Year							•						<p><u>Recommendation:</u> Receive and Discuss the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year.</p>
23	Receive QEMS Annual Internal Audit Report								•					<p><u>Recommendation:</u> Receive information regarding the Quality and Environmental Management System.</p>

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
24	Status Update on the Implementation of Recommendations from the 2015 Consultant Contracts Management Process Audit Conducted by Navigant Consulting, Inc. and the Consultant Contracts Improvement Process.													<p>Note: Staff CAS update every 6 months.</p> <p>Recommendation: Receive and discuss a status update on the implementation of the recommendations made by Navigant in the 2015 Consultant Contracts Management Process Audit and on the Consultant Contracts Improvement Process.</p>
25	Review Contract Change Order Audit Report													<p>Note: Staff periodic update.</p> <p>Recommendation: Receive and discuss a status update on the implementation of the recommendations made by TAP International, Inc. in the Contract Change Order Audit Report.</p>
26	Status Update on the Lower Silver Creek Watershed Project Audit													<p>Recommendation: Receive and discuss a status update on the State Controller Office Audit of Flood Control Subventions Program for Claim Numbers 86 - 91, submitted during the audit period, 08/01/2012 - 05/12/2016.</p>
27	Status Update on the Annual Federal Single Audit of Federal Grants Audit													<p>Recommendation: Receive and discuss a status update on the audit of an entity that expends \$750,000 or more of federal assistance received for its operations. Once completed, the Single Audit must be submitted to the Federal Audit Clearinghouse.</p>
28	Audit Recommendations Implementation Status													<p>Recommendation: Receive and discuss a status update on the implementation of audit recommendations.</p>
Board Independent Auditor - TAP International, Inc. Items														
29	Review and Update Annual Audit Work Plan	•	•					•	•	•	•	•	•	<p>Recommendation: Discuss the Annual Audit Work Plan and update, if necessary.</p>
Audit - Change Order														
30	Final Draft Management Response for the Contract Change Order Audit	•												<p>Recommendation: Discuss the Final Draft Management Response to Draft Contract Change Order Audit Report.</p>

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
31	Receive and Discuss Auditor Response to Final Draft Management Response for the Contract Change Order Audit		•											Recommendation: A. Receive and discuss the Auditor Response to the Final Draft Management Response to Draft Contract Change Order Audit Report; and B. Direct staff to have TAP International, Inc. to present the Final Draft Audit Report and Management Response to the Board of Directors.
Audit - District Counsel														
32	Review District Counsel Audit Progress Report	•	•					•						Recommendation: Receive an update on the status of the on-going audit.
33	Review District Counsel Audit Draft Report Presentation								•					Recommendation: Receive and discuss the Final Draft Audit Report.
34	Review Response to District Counsel Audit Final Draft Report												•	Recommendation: A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Real Estate														
35	Review Real Estate Audit Progress Report	•	•											Recommendation: Receive an update on the status of the on-going audit.
36	Review Real Estate Audit Draft Report Presentation							•						Recommendation: Receive and discuss the Final Draft Audit Report.
37	Review Response to Real Estate Audit Final Draft Report								•					Recommendation: A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Construction Project Management (Tentative)														
38	Receive notification of initiated Construction Project Management Audit													<u>Note:</u> Audit Objectives - What areas of Valley Water's capital project budgeting practices can benefit from adopting best practices?
39	Review Construction Project Management Audit Progress Report													Recommendation: Receive an update on the status of the on-going audit.
40	Review Construction Project Management Audit Draft Report Presentation													Recommendation: Receive and discuss the Final Draft Audit Report.

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
41	Review Response to Construction Project Management Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
Audit - Supervisory Control and Data Acquisition (Tentative)														
42	Receive notification of initiated Supervisory Control and Data Acquisition Audit													<p><u>Note:</u> Audit Objectives - Does Valley Water's Supervisory Control and Data Acquisition (SCADA) systems meet established SCADA security frameworks?</p>
43	Review Supervisory Control and Data Acquisition Audit Progress Report													<p><u>Recommendation:</u> Receive an update on the status of the on-going audit.</p>
44	Review Supervisory Control and Data Acquisition Audit Draft Report Presentation													<p><u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.</p>
45	Review Response to Supervisory Control and Data Acquisition Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
Audit - Permitting Best Practices (Tentative)														
46	Receive notification of initiated Permitting Best Practices Audit													<p><u>Note:</u> Audit Objectives - How does Valley Water's permitting process compare with other agencies? Can alternative permit processing activities benefit Valley Water?</p>
47	Review Permitting Best Practices Audit Progress Report													<p><u>Recommendation:</u> Receive an update on the status of the on-going audit.</p>
48	Review Permitting Best Practices Audit Draft Report Presentation													<p><u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.</p>
49	Review Response to Permitting Best Practices Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
Audit - Risk Management (Tentative)														
50	Receive notification of initiated Risk Management Audit													<p><u>Note:</u> Audit Objectives - Can risk management business processes be implemented more effectively? (i.e. contract claims, workers compensation, small claims).</p>
51	Review Risk Management Audit Progress Report													<p><u>Recommendation:</u> Receive an update on the status of the on-going audit.</p>

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
52	Review Risk Management Audit Draft Report Presentation													Recommendation: Receive and discuss the Final Draft Audit Report.
53	Review Response to Risk Management Audit Final Draft Report													Recommendation: A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Billing and Collections (Tentative)														
54	Receive notification of initiated Billing and Collections Audit													Note: Audit Objectives - Are there opportunities to enhance Valley Water's billing and collection processes?
55	Review Billing and Collections Audit Progress Report													Recommendation: Receive an update on the status of the on-going audit.
56	Review Billing and Collections Audit Draft Report Presentation													Recommendation: Receive and discuss the Final Draft Audit Report.
57	Review Response to Billing and Collections Audit Final Draft Report													Recommendation: A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Accountability (Tentative)														
58	Receive notification of initiated Accountability Audit													Note: Audit Objectives - Are there opportunities to enhance safe clean water audits?
59	Review Accountability Audit Progress Report													Recommendation: Receive an update on the status of the on-going audit.
60	Review Accountability Audit Draft Report Presentation													Recommendation: Receive and discuss the Final Draft Audit Report.
61	Review Response to Accountability Audit Final Draft Report													Recommendation: A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Community Engagement (Tentative)														
62	Receive notification of initiated Community Engagement Audit													Note: Audit Objectives - Can Valley Water benefit from updating its purchasing practices for multi-media, advertising, and other community engagement vendor related activities?

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
63	Review Community Engagement Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
64	Review Community Engagement Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.
65	Review Response to Community Engagement Audit Final Draft Report													<u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Property Management (Tentative)														
66	Receive notification of initiated Property Management Audit													<u>Note:</u> Audit Objectives - Is Valley Water implementing encroachment licensing program consistent with the Board's guiding principles?
67	Review Property Management Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
68	Review Property Management Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.
69	Review Response to Property Management Audit Final Draft Report													<u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Homelessness Analysis (Tentative)														
70	Receive notification of initiated Homelessness Analysis Audit													<u>Note:</u> Audit Objectives - How can Valley Water enhance its homelessness encampment clean-up activities that protect health and safety?
71	Review Homelessness Analysis Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
72	Review Homelessness Analysis Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.
73	Review Response to Homelessness Analysis Audit Final Draft Report													<u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Classified Information (Tentative)														

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
74	Receive notification of initiated Classified Information Audit													<u>Note:</u> Audit Objectives - To what extent does Valley Water's Counsel's Office appropriately classify confidential information?
75	Review Classified Information Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
76	Review Classified Information Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.
77	Review Response to Classified Information Audit Final Draft Report													<u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Local Workforce Hiring (Tentative)														
78	Receive notification of initiated Local Workforce Hiring Audit													<u>Note:</u> Audit Objectives - What are the financial and service delivery disadvantages and advantages of RFPs that require preferences for local workforce hiring?
79	Review Local Workforce Hiring Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
80	Review Local Workforce Hiring Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.
81	Review Response to Local Workforce Hiring Audit Final Draft Report													<u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.
Audit - Equipment Maintenance (Tentative)														
82	Receive notification of initiated Equipment Maintenance Audit													<u>Note:</u> Audit Objectives - Is Valley Water adequately meeting the needs of equipment maintenance?
83	Review Equipment Maintenance Audit Progress Report													<u>Recommendation:</u> Receive an update on the status of the on-going audit.
84	Review Equipment Maintenance Audit Draft Report Presentation													<u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.

BOARD AUDIT COMMITTEE 2020 WORKPLAN

January 1, 2020 to December 31, 2020

#	ACTIVITY/SUBJECT	Q1			Q2			Q3			Q4			NOTES/RECOMMENDATIONS
		22-Jan	19-Feb	18-Mar	15-Apr	20-May	17-Jun	15-Jul	19-Aug	16-Sep	21-Oct	18-Nov	16-Dec	
85	Review Response to Equipment Maintenance Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
Audit - Community Engagement (Tentative)														
86	Receive notification of initiated Community Engagement Audit													<p><u>Note:</u> Audit Objectives - What are the best practices in planning and facilitating community engagement?</p>
87	Review Community Engagement Audit Progress Report													<p><u>Recommendation:</u> Receive an update on the status of the on-going audit.</p>
88	Review Community Engagement Audit Draft Report Presentation													<p><u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.</p>
89	Review Response to Community Engagement Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
Audit - Delta Conveyance (Tentative)														
90	Receive notification of initiated Delta Conveyance Audit													<p><u>Note:</u> Audit Objectives - What potential financial risks could occur on the California Water Fix project?</p>
91	Review Delta Conveyance Audit Progress Report													<p><u>Recommendation:</u> Receive an update on the status of the on-going audit.</p>
92	Review Delta Conveyance Audit Draft Report Presentation													<p><u>Recommendation:</u> Receive and discuss the Final Draft Audit Report.</p>
93	Review Response to Delta Conveyance Audit Final Draft Report													<p><u>Recommendation:</u> A. Receive and discuss the Management Response to the Final Draft Audit Report; and B. Direct staff to have TAP International, Inc. finalize the Audit Report and present it to the Board of Directors.</p>
BAC Work Plan Items Outside of the Current Term														
94	Prepare risk assessment tri-annually													<p><u>Note:</u> Next Risk Assessment scheduled to be completed in October 2021.</p>
95	Participate in financial statement audit procurement process													<p><u>Note:</u> Next procurement scheduled for January 2022.</p>

Note: The • denotes that an item is on the BAC meeting agenda for the corresponding month in which the • is listed. The shading represents that the items have been completed.