



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: 04/20/2022 Board Audit Committee
Meeting Summary.

DATE: May 24, 2022

This memorandum summarizes the Board Audit Committee (Committee) meeting held on Wednesday, April 20, 2022, at 2:00 p.m., where the following work plan items were discussed:

REGULAR AGENDA:

4.1 Board Audit Committee's 2022 Annual Self-Evaluation Process.

Recommendation: Discuss the Board Audit Committee's 2022 Annual Self-Evaluation Process.

Mr. George Skiles, Sjoberg Evashenk Consulting, Inc., reviewed the information on this item, per the Committee Agenda Memo.

The Committee discussed the information without formal action, and noted the following:

- The Committee requested that District Counsel provide comments related to Bullet 4 on Page 2 of the Committee Agenda Memo (CAM), *“Allowing the Chief Audit Executive and external auditors to raise sensitive issues in compliance with the Brown Act”*; and
- The Committee requested that staff bring the Self-Evaluation Summary to the full Board at a future Board meeting.

4.2 South Bay Clean Creeks Coalition Partnership Agreement.

Recommendation: Receive information on the South Bay Clean Creeks Coalition (SBCCC) Partnership Agreement.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee considered the information without formal action, and noted the following:

- The Committee requested that staff provide a response to Mr. Steve Holmes, SBCCC, letter to the Committee, Handout 4.2-A;
- The Committee requested staff to clarify PMA's Recommendation 1 on Page 2 of the CAM; and

- The Committee requested staff to consider how to ensure the Grant Process is less burdensome to non-profit organizations and to return to the Committee with their recommendations.

The Committee continued the item to the May 18, 2022 Committee meeting.

4.3 Discuss the Necessity of Evaluating Risk Management Organizational Alignment; Determine if any Changes Need to be Made to the Annual Audit Work Plan; and Authorize Staff to Present any Recommended Changes to the Full Board for Approval to Update the Annual Audit Work Plan at a Future Board Meeting.

Recommendation:

- A. Discuss the necessity of evaluating the Risk Management Organization alignment;
- B. Determine if any Changes need to be made to the Annual Audit Work Plan; and
- C. Authorize staff to present any recommended changes to the full Board for approval to update the Annual Audit Work Plan at a future Board meeting.

Mr. Carlos Orellana, District Counsel, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee received the information without formal action; and noted the following:

- The Committee requested that staff respond to Mr. Doug Muirhead's comments in Handout 4.3-A; and
- The Committee requested that staff bring this Item back to the Committee at the October 18, 2022, Committee meeting for a 6 month update.

4.4 Discuss the 2022-2024 Annual Audit Work Plan.

Recommendation:

- A. Discuss the 2022-2024 Annual Audit Work Plan;
- B. Recommend initiation of the CIP Process Audit to the full Board; and
- C. Recommend to the full Board that Sjoberg Evashenk Consulting, Inc., be the auditor for the CIP Process Audit.

Mr. Taylor reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee received the information and noted the following:

- The Committee requested that the CIP Process audit scope include an investigation of how to reduce soft costs on medium to small sized projects;
- The Committee requested that the CIP Process audit scope include an investigation of how CIP projects are prioritized for inclusion in the CIP along with implementation and funding;
- The Committee requested that staff do the following:
 - Bring the request to initiate the CIP Process Audit to the full Board for discussion and approval at a future Board meeting; and

- Discuss the CIP Process audit scope with the CIP Committee

It was moved by Director Santos and seconded by Director Kremen, and unanimously carried that the Committee approve Recommendations B and C.

4.5 Review and Discuss the 2022 Board Audit Committee Work Plan.

Recommendation: Review and discuss topics of interest raised at prior Board Audit Committee (BAC) Meetings and make any necessary adjustments to the BAC Work Plan.

Mr. Taylor reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee noted the information, without formal action.

Board member comments and suggestions can be forwarded to Mr. Max Overland, Assistant Deputy Clerk at (408) 630-2749 or by email to moverland@valleywater.org.

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