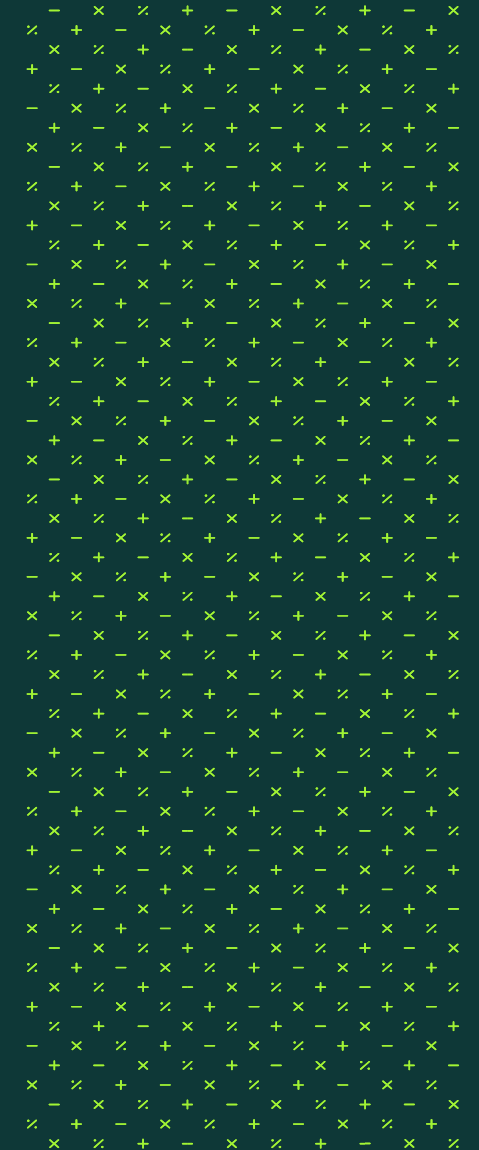


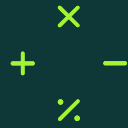


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Santa Clara Valley Water District 2012 SCW Closeout Performance Audit

April 23, 2024





Agenda

01 AUDIT OBJECTIVES

02 SCOPE & METHODOLOGY

03 COMMENDATIONS

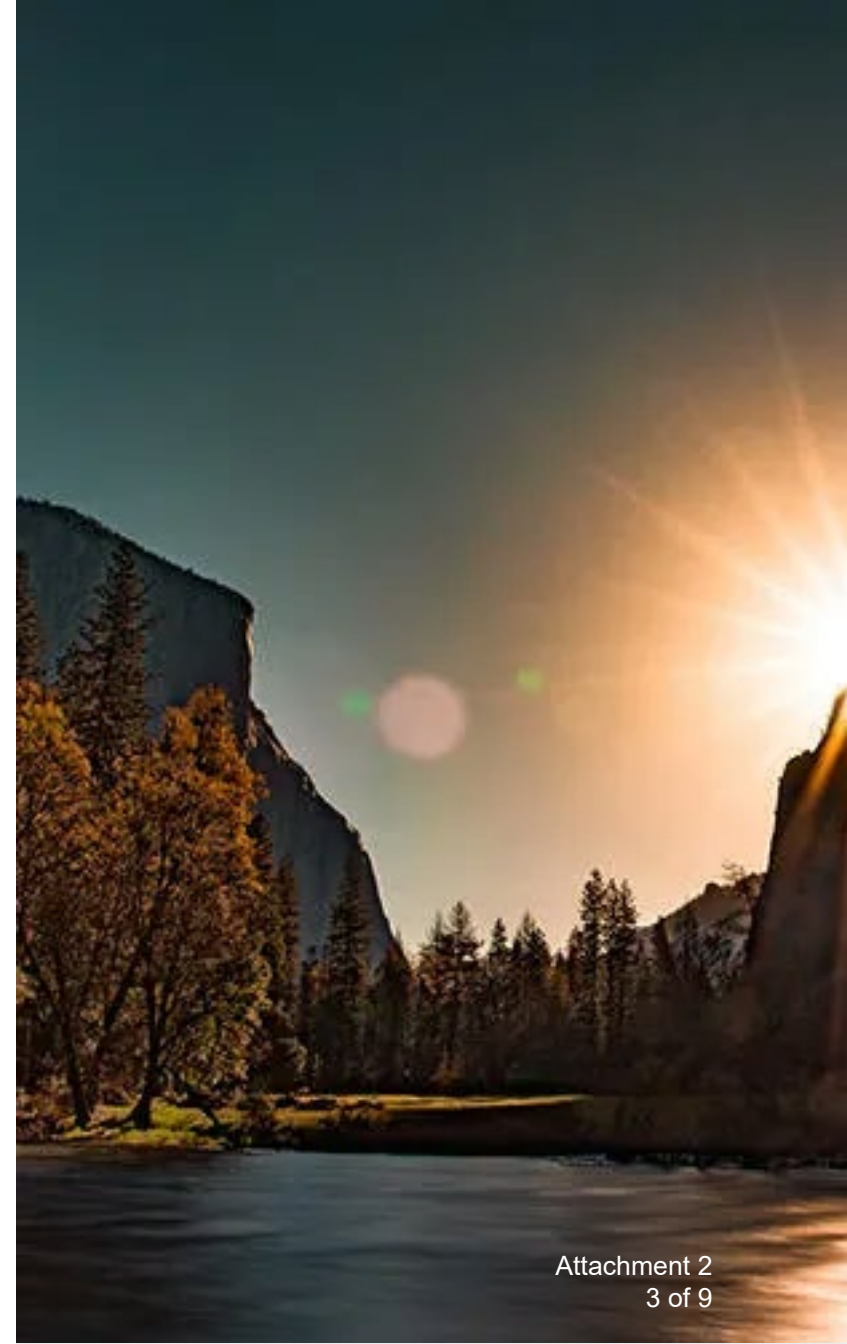
04 RECOMMENDATIONS

05 Q&A



Audit Objectives

1. Assess and determine whether Measure B funds were collected and expended by Valley Water in accordance with the tax measure
2. Verify compliance with all applicable provisions of the Measure B tax, including stated provisions A through O
3. Assess and determine whether Valley Water made reasonable progress toward meeting the Program's priorities and KPIs by year eight of the 15-year program
4. Assess and determine whether Valley Water properly implemented and complied with the approved change control processes to make necessary Program adjustments and modifications
5. Assess and document lessons learned that could be considered in the future





Scope & Methodology

- Audit period: Fiscal Years 2017 through 2021
- Methodology:
 - Interviews and focus groups with Valley Water leadership and staff
 - Reviewed documents such as policies and procedures, performance reports, the Measure B resolution, annual reports, etc.
 - Conducted testing to review adherence to the Program change control protocols and compliance with Measure provisions
- Audit was conducted under GAGAS



Commendations

- Transparency to stakeholders through comprehensive annual reports
- Adaptive and flexible budgeting processes
- IMC Onboarding
- Operational flexibility during the COVID-19 pandemic
- On track to meet most Program KPIs
- Mission-driven employees

Compliance Highlights:

- All tested Measure B funds were used appropriately for the Program
- Program administration properly executed CEQA reviews
- Low-income senior property tax exemptions were properly completed
- Special tax summary reports for each fiscal year were appropriately filed
- The Change Control Process was properly adhered to



Summary of Recommendations

- Develop a conflict-of-interest policy that applies to IMC members
- Continue implementation of the 2021 grant management and administration performance audit recommendations
- Examine future program KPIs to define what falls within Valley Water's control and focus on outcomes
- Implement strategies to promote project continuity among Valley Water staff, particularly for projects that are heavily reliant on external agency cooperation
- Conduct annual training for staff involved in contracting processes



Process Improvements

- Remove BRC email notice requirement from the Change Control Process to reflect current practice
- Update the low-income senior property tax exemption form to notate application review and approval by Valley Water staff
- Review special tax calculations every two years
- Ensure document retention policies and procedures are followed



Q&A



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