



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: 12/15/2021 Board Audit Committee Meeting Summary.

DATE: December 16, 2021

This memorandum summarizes the Board Audit Committee (Committee) meeting held on Wednesday, December 15, 2021, at 2:00 p.m., where the following work plan Items were discussed:

TIME OPEN FOR PUBLIC COMMENT:

2.1 Handouts – SBCCC Partnership #33144 Check In (Valley Water/SBCCC).

Continued to the January 19, 2022 Committee Meeting.

REGULAR AGENDA:

4.1 Valley Water Draft Annual Comprehensive Financial Report for the Fiscal Year Ending on June 30, 2021.

Recommendation: Discuss the Valley Water Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) Ending on June 30, 2021, that staff will be recommending for Board acceptance.

Mr. Darin Taylor, Chief Financial Officer, and Mr. David Alvey, Maze and Associates, reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

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

- The final report will be presented to the full Board in January 2022; and
- Mr. Taylor will reach out to Director Kremen to discuss this item before the next Board meeting on January 11, 2022.

4.2 First Quarter Fiscal Year 2021-22 Financial Status Update.

Recommendation: Receive the first quarter Fiscal year 2021-22 financial status update as of September 30, 2021.

Mr. Enrique De Anda, Budget Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

The Committee noted the information without formal action.

4.3 The 2021 Risk Assessment Report and 2022-2024 Annual Audit Work Plan.

- Recommendation:
- A. Receive and discuss the 2021 Risk Assessment Report and 2022-2024 Annual Audit Work Plan; and
 - B. Authorize staff to present the 2022-2024 Annual Audit Work Plan to the Board.

Ms. Denise Callahan, TAP International, Inc. (TAP), reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 4.

The Committee received the information, and noted the following:

- TAP addressed the proposed top 10 audits;
- The Committee raised a concern regarding how Valley Water manages inventory management and how this is inherently high-risk; and
- TAP and Ms. Tina Yoke, Chief Operating Officer, addressed the Committee's concern and how Valley Water is monitoring inventory.

It was moved by Director Santos and seconded by Chairperson Keegan, excluding Director Kremen who was absent, and unanimously carried that the Committee authorized staff to present the 2022-2024 Annual Audit Work Plan to the full Board at the next Board meeting.

4.4 Receive a Verbal Status Update Regarding the INFOR Project Implementation.

- Recommendation: Receive a verbal status update regarding the INFOR Project implementation.

Mr. Mike Cook, Deputy Administrative Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee received the information without formal action.

4.5 Review and Discuss the 2021 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 the item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

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

- The Committee confirmed that the following items will be on the January 19, 2022 BAC Agenda:
 - 2022 Proposed BAC Work Plan;
 - BAC Self-Evaluation;
 - Board Auditor's Final Contract Close-Out Report;
 - The Audit Recommendation Implementation Status Report;
 - The South Bay Clean Creeks Coalition Partnership Grant Discussion;

- Human Resources Audit Report;
- BAC Audit Charter Discussion; and
- Receive an Update on the Pacheco Reservoir Expansion Fact-Finding Investigation.

4.6 Discuss the 2019-2021 Annual Audit Work Plan and Authorize Staff to Transition to the 2022-2024 Annual Audit Work Plan When Approved by the Board.

Recommendation: A. Discuss the 2019-2021 Annual Audit Work Plan; and
 B. Authorize staff to transition to the 2022-2024 Annual Audit Work Plan when approved by the Board.

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

It was moved by Director Santos and seconded by Chairperson Keegan, excluding Director Kremen who was absent, and unanimously carried that the Committee authorized staff to transition to the 2022-2024 Annual Audit Work Plan when approved by the full Board.

4.7 Receive Information Regarding the New Chief Audit Executive, Sjoberg Evashenk Consulting, Inc. and Acknowledge TAP International's Accomplishments During Their Time as Chief Audit Executive.

Recommendation: Receive information regarding the new Chief Audit Executive, Sjoberg Evashenk Consulting, Inc. and acknowledge TAP International's accomplishments during their time as Chief Audit Executive.

Chairperson Keegan, and Mr. Taylor acknowledged the contributions of TAP during the tenure as Chief Audit Executive, and introduced the new Sjoberg Evashenk Consulting, Inc. as the new Chief Audit Executive.

The Committee noted the information without formal action.

4.8 Receive the 2021 Annual Audit Training from the Board's Chief Audit Executive.

Recommendation: Receive the 2021 Annual Audit Training from the Board's Chief Audit Executive.

Ms. Mary Kelly, TAP International, presented the information on this item, per the attached Committee Agenda Memo, and per the information contained in attachment 1.

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

- The Committee requested that staff provide Director Kremen with the video portion of this training.

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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