



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Board Audit Committee

SUBJECT: 08/28/2019 Board Audit Committee
Meeting Summary

DATE: September 3, 2019

This memorandum summarizes the Board Audit Committee (Committee) meeting held on August 28, 2019, where the following work plan items were discussed:

4.1 Board Independent Auditor Report Update – TAP International, Inc (TAP).

- Recommendation:
- A. Discuss the Annual Audit Work Plan and update, if necessary;
 - B. Discuss the status of on-going audits; and
 - C. Discuss the Change Order Audit Progress.

Ms. Denise Callahan, TAP, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee requested the following actions:

- A. TAP to meet with individual Committee Directors by mid-September;
- B. TAP to send the Change Order Performance Audit report to the CEO by the end of September for formal agency response; and
- C. TAP to present the finalized Change Order Performance Audit report and responses at the October 23, 2019 Committee meeting.

4.2 Review and Update 2019 Board Audit Committee Work Plan.

- Recommendation: Review and make necessary adjustments to the 2019 Board Audit Committee Work Plan.

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

The Committee requested the following actions:

- A. Staff to add open discussion for topics of interest raised at previous Committee meetings; and
- B. Audit report findings to be presented at separate Committee meetings: Real Estate (February 2020 Committee meeting) and District Counsel (December 2019 Committee meeting).

5.1 Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2018.

- Recommendation: Receive and discuss the Audit Report of the Water Utility Enterprise Funds for the Fiscal Year Ended June 30, 2018.

Mr. Ahmad Gharaibeh, Vavrinek, Trine, Day and Co., reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee took no formal action.

5.2 Introduction of Maze and Associates, Valley Water's new Financial Auditor.

Recommendation: Receive and discuss information regarding the Statement of Auditing Standards (SAS) 114 and an overview of the financial audit process, presented by Maze and Associates, Valley Water's ne Financial Auditor.

Mr. David Alvey, Maze and Associates (Maze), reviewed the information on this item, per the attached Committee Agenda Memorandum, and per the information contained in Attachment 1.

The Committee requested the following actions:

Maze to schedule a meeting with the Committee members.

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.

Barbara Keegan

Director, District 2
Board Audit Committee Chairperson