



Santa Clara Valley Water District

File No.: 20-0928

Agenda Date: 10/13/2020

Item No.: *4.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Consider Recommendations Resulting from the September 16, 2020, Board Audit Committee Meeting and Approve Proposed Updates to the Board Audit Committee Audit Charter.

RECOMMENDATION:

Consider recommendations resulting from the September 16, 2020, Board Audit Committee Meeting and approve the proposed updates to the Board Audit Committee Audit Charter.

SUMMARY:

The Board Audit Committee (BAC) was established by the Valley Water Board of Directors (Board) to identify potential areas and priorities for auditing; to review, update, plan, and coordinate the execution of Board audits. On September 26, 2018, the BAC directed that an Audit Committee Charter be developed, and on June 26, 2019, it approved of a final version of the Charter to recommend for approval by the Board. At its regular meeting of August 27, 2019, the Board formally approved the BAC Audit Charter. As a best practice, the Board Audit Committee Audit Charter provides the BAC with formal Board guidance regarding its purpose, duties, and powers. It also ensures that audits are carried out in accordance with the expectations of the Board and in accordance with commonly recognized audit standards.

The BAC recommends that the Board approve the following updates to the BAC Audit Charter (Attachment 1): (1) updated naming convention from “the District” to “Valley Water” and substituted the new Valley Water logo on the cover page; (2) addition of Article III Section 3 - Disclosure of Impairment to Independence; (3) addition of supplemental text to Article III Section 7.2 related to proposed substantive changes to the Annual Audit Work Plan must be approved by the Board; (4) addition of supplemental text to Article V Section 2(e) related to Board approval not required for desk reviews; and (5) addition of supplemental text to Article VI Section 7 related to management review for technical accuracy of preliminary draft audit report to be provided within ten working days from issuance.

The charter requires that the BAC conduct a periodic review of the charter terms and make any recommendations regarding changes to the full Board for final approval. (Article IX, §1).

FINANCIAL IMPACT:

There is no financial impact with this item.

CEQA:

The recommended actions do not constitute a project under California Environmental Quality Act (CEQA) because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Revised BAC Charter, with Redlines

UNCLASSIFIED MANAGER:

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