



# Santa Clara Valley Water District

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**File No.:** 21-0070

**Agenda Date:** 1/26/2021  
**Item No.:** \*4.4.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Consider the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

### **RECOMMENDATION:**

Approve the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

### **SUMMARY:**

At the December 16, 2020 Board Audit Committee (BAC) meeting, the BAC reviewed and discussed the District Counsel Audit Final Report. Recommendation #5 from the District Counsel Audit provides that: "The Board Audit Committee should ensure that the scope of the audit currently proposed in the annual audit work plan for the risk management function, include an evaluation of the advantages and disadvantages of implementing alternative organizational alignments for the Risk Management Unit and the Workers' Compensation programs."

At the January 13, 2021 Board Audit Committee meeting, the BAC discussed options to evaluate Risk Management organizational alignment. The BAC recommends that an additional objective (i.e. to evaluate the organizational alignment of the Risk Management function) be added to the planned Risk Management audit. The Risk Management audit is the next audit in queue in the Annual Audit Work Plan (Attachment 1). Upon Board approval, the Annual Audit Work Plan would be updated to note that the Risk Management audit (Audit ID 4) will include an organizational alignment analysis. The estimated time frame to perform this audit ranges from 9-15 months, and the estimated cost ranges from \$101,600 - \$199,750.

### **FINANCIAL IMPACT:**

There are adequate funds in the Office of Chief Financial Officer's Board-adopted FY 2020-2021 budget, Project 60131014, Continual Improvement.

### **CEQA:**

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The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

**ATTACHMENTS:**

Attachment 1: Annual Audit Work Plan

**UNCLASSIFIED MANAGER:**

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