



Santa Clara Valley Water District

File No.: 22-0718

Agenda Date: 6/14/2022

Item No.: 4.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive the Board Audit Committee 2022 Self-Evaluation Report.

RECOMMENDATION:

Receive the Board Audit Committee 2022 Self-Evaluation Report.

SUMMARY:

The Board Audit Committee (BAC) was established to assist the Board of Directors (Board), consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan, and coordinate execution of Board audits.

On August 27, 2019, the Board approved the BAC Audit Charter to provide detailed guidance regarding how the BAC should carry out its functions and to guide the work of the Board's Chief Audit Executive (CAE), Sjoberg Evashenk Consulting, Inc.

According to Article 9, paragraph 4 of the BAC Audit Charter, the BAC shall conduct a self-evaluation of its performance annually. The Committee shall conduct the evaluation of its performance to determine whether it is functioning effectively and to discuss with the Independent Auditor any observations related to the effectiveness of the Committee. The Committee shall prepare a formal report based upon each such self-evaluation and shall provide such report to the full Board following its adoption by the Committee.

At its meeting on January 19, 2022, the BAC decided that the CAE would conduct interviews with the Committee members to develop an overall comprehensive report. The report was provided to the BAC at the April 20th, 2022, BAC meeting.

Overall, consistent with prior years, members of the BAC generally agreed that the overall governance and activities of the committee were aligned with its charter. However, members did raise specific areas where improvements may be achieved, and value added. These include:

- Maintaining and increasing open communication between the Board and individual directors and the Chief Audit Executive
- Formalizing communication between the BAC and external auditors (at least quarterly),

including review of audit results

- Establishing a process to annually review the BAC Charter to identify desired or required updates
- Allowing the Chief Audit Executive and external auditors to raise sensitive issues in compliance with the Brown Act
- Meeting duration and content can be excessive and bureaucratic
- Minimizing adversarial nature of audits, to the extent possible, while building buy-in from management and staff

The purpose of this agenda item is to present the annual self-evaluation process for calendar year 2022.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

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:

None.

UNCLASSIFIED MANAGER:

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