



BOARD AUDIT COMMITTEE MEETING

# MINUTES

**SPECIAL MEETING  
FRIDAY, JANUARY 20, 2023  
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER:**

A special meeting of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 11:00 a.m.

**1.1 Roll Call.**

Committee members in attendance were District 3 Director Richard P. Santos, and District 2 Director Barbara Keegan, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were: Emmanuel Aryee, Sarah Berning, Theresa Chinte, Jessica Collins, Mike Cook, Concepcion Gayotin, Walter Gonzalez, Brian Hopper, Robert Marmito, Jennifer Martin, Anthony Mendiola, Nicole Merritt, Tony Ndah, Carlos Orellana, Leslie Orta, Max Overland, Mario Rivas, Manpreet Sra, Darin Taylor, Sherilyn Tran, Zuberi White, and Tina Yoke.

Guests in attendance were: Katja Irvin (Sierra Club-Loma Prieta Chapter), and George Skiles (Sjoberg Evashenk Consulting).

Public in attendance was: Theresa K.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:**

Chairperson Keegan declared time open for public comment on any item not on the agenda. There was no one who wished to speak.

**3. APPROVAL OF MINUTES:**

None.

#### **4. REGULAR AGENDA:**

##### **4.1. Review and Discuss the 2023 Board Audit Committee (BAC) Work Plan.**

Recommendation: Review and discuss topics of interest raised at prior BAC meetings and make any necessary adjustments to the 2023 BAC Work Plan.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Public Comments:  
None.

The Committee noted the information without formal action and deferred further action until Committee members are confirmed at the next meeting.

##### **4.2. Status Update on the Implementation of Recommendations from the 2015 Consultant Contracts Management Process Audit Conducted by Navigant Consulting, Inc. (Navigant).**

Recommendation: Receive an update on the implementation of the recommendations made by the Navigant in the 2015 Consultant Contracts Management process Audit and the Consultant Contracts Improvement Process.

Tony Ndah reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Public Comments:  
None.

The Committee noted the information without formal action and staff will note this audit as complete.

##### **4.3. 2014 Transparency Compliance Audit Recommendation Status Update and Provide Guidance to Staff Regarding Follow-up on Completed Management Actions.**

Recommendation:   A.    Receive and discuss the 2014 Transparency Compliance Audit Recommendation Status Update; and  
                          B.    Provide guidance to staff regarding follow-up on completed Management Actions.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo and per the information contained in Attachments 1 and 2.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee requested staff to share background and audit status with new Board members and report back to the Committee on justification for a potential update to initial audit.

4.4. Discuss the Board Audit Discuss Board Audit Committee's 2023 Annual Self-Evaluation Process, Provide Guidance Regarding Preferred Method to Conduct Process, and Request Chief Audit Executive to Conduct Self-evaluation Process and Return to Provide Summary of Discussions.

- Recommendation:
- A. Discuss Board Audit Committee's 2023 annual self-evaluation process; and
  - B. Provide guidance regarding preferred method to conduct process; and
  - C. Request Chief Audit Executive (CAE) to conduct self-evaluation process and return to provide summary of discussions.

George Skiles reviewed the information on this item, per the attached Committee Agenda Memo.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee requested to conduct the self-evaluation process as it was done in 2022 and instructed staff to meet with Board members for feedback.
- The Committee requested CAE to conduct interviews and report back to the Committee for further discussion and authorization to present to the full Board.

4.5. Request Chief Audit Executive (CAE) Activity Report from Sjoberg Evashenk Consulting, Inc. to Evaluate Board Auditor Performance, and Return to Present Report At a Later Date.

- Recommendation:
- A. Request Chief Audit Executive (CAE) activity report from Sjoberg Evashenk Consulting, Inc. to evaluate CAE performance; and
  - B. Direct CAE to return to present report at a future meeting.

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

Public Comments:  
None.

It was moved by, Director Santos, seconded by Chairperson Keegan and the following Recommendations were unanimously carried:

- Recommendations:
- A. Request Chief Audit Executive (CAE) activity report from Sjoberg Evashenk Consulting, Inc. to evaluate CAE performance; and
  - B. Direct CAE to return to present report at a future meeting.

The Committee requested the activity report from the CAE and directed CAE and staff to work together to report back to the Committee.

4.6. 2022-2024 Annual Audit Work Plan Updates.

- Recommendation:
- A. Discuss the 2022-2024 Annual Audit Work Plan; and
  - B. Authorize staff to either (1) solicit Board input regarding future audit topics in order to develop recommended updates to 2022-2024 Annual Audit Work Plan; or (2) present 2022-2024 Annual Audit Work Plan to the full Board for consideration and approval subject to any changes approved by the BAC.

Darin Taylor reviewed the information on this item, per the attached Committee Agenda Memo and per the information in Attachment 1.

Public Comments:  
None.

It was moved by, Director Santos, seconded by Chairperson Keegan to accept the following and Recommendations were unanimously carried:

- Recommendations:
- A. Discuss the 2022-2024 Annual Audit Work Plan; and
  - B. Authorize staff to solicit Board input regarding future audit topics in order to develop recommended updates to 2022-2024 Annual Audit Work Plan.

- The Committee deferred changes to Annual Audit Work Plan (AAWP) until Committee members are confirmed at the next meeting.
- The Committee requested staff to send information on their plan to review the Risk Assessment to Board members.
- The Committee requested CAE to interview Board members for AAWP review and revisions.
- The Committee directed staff to bring feedback back to the Committee to prepare for authorization to go to the full Board.

5. **CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

Nicole Merritt confirmed Items 4.5 and 4.6 were approved Committee requests.

**6. Adjourn:**

6.1. Adjourn to Regular Meeting at 2:00 p.m. on February 15, 2023.

Chairperson Keegan adjourned the meeting at 11:57 a.m., to the Regular Meeting at 2:00 p.m. on February 15, 2023.

Nicole Merritt  
Assistant Deputy Clerk II

Date Approved: February 15, 2023