



BOARD AUDIT COMMITTEE MEETING

# MINUTES

**REGULAR MEETING  
WEDNESDAY, FEBRUARY 15, 2023  
2:00 PM**

(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER:**

A regular 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 2:00 p.m.

**1.1 Roll Call.**

Committee members in attendance were District 3 Director Richard P. Santos, District 4 Director Jim Beall, and District 2 Director Barbara Keegan, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were: Huggen Angeles, Emmanuel Aryee, Ingrid Bella, Sarah Berning, Kathy Bradley, Jessica Collins, Concepcion Gayotin, Walter Gonzalez, Andy Gschwind, Christopher Hakes, Brian Hopper, Robert Marmito, Patrice McElroy, Anthony Mendiola, Nicole Merritt, Tony Ndah, Carlos Orellana, Luz Penilla, Alison Phagan, Donald Rocha, Amandeep Saini, Manpreet Sra, Darin Taylor, Sherilyn Tran, Kristen Yasukawa, and Tina Yoke.

Guest in attendance was: George Skiles (Sjoberg Evashenk Consulting).

Public in attendance was: None.

**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. ELECTION OF OFFICERS:**

#### **3.1. Election of 2023 Board Audit Committee and Vice Chair.**

Recommendation: Nominate and Elect the 2023 Board Audit Committee Chair and Vice Chair.

The Committee considered Item 3.1 without a staff presentation.

Public Comments: None.

It was moved by Director Santos and seconded by Director Beall, and unanimously carried that Chairperson Keegan remain Chairperson and Director Beall would become Vice Chairperson.

### **4. APPROVAL OF MINUTES:**

#### **4.1. Approval of December 9, 2022 and January 20, 2023 Board Audit Committee Meeting Minutes.**

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the December 9, 2022 and January 20, 2023 Committee meetings.

Public Comments:  
None.

It was moved by Director Beall and seconded by Director Santos, and unanimously carried that the minutes be approved.

The Committee noted a clerical error on the Board Agenda Memorandum referring to the Agricultural Water Advisory Committee instead of the Board Audit Committee and deemed it as corrected.

### **5. REGULAR AGENDA:**

#### **5.1. 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 received the information, took no formal action, and noted the following:

- The Capital Improvement Program (CIP) Performance Audit Status Update from the Chief Audit Executive (CAE) will be added as a new March BAC agenda topic and included in the BAC Work Plan.
- The Committee requested staff to provide final reports with Management's responses regarding audits completed in the last 10 years.

5.2. Discuss the Board Audit Committee's 2023 Annual Self-Evaluation Process.

Recommendation: Discuss the Board Audit Committee's 2023 Annual self-evaluation process.

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:

- Staff's support of the overall Recommendation Status Report to continue to be provided semi-annually.
- The CAE will provide updates periodically to the full Board regarding status of audits.
- The Committee requested staff to create an Audit Repository to facilitate access and to include a link on the BAC web page.

5.3 Receive and Discuss a Status Update on the Implementation of Audit Recommendations, Authorize Staff to Close Completed Board-Directed Audits and Provide Additional Direction as Necessary, and Discuss Timing of Next Update.

Recommendation: A. Receive and discuss a status update on the implementation of Audit Recommendations;  
B. Authorize staff to close completed Board-directed audits and provide additional direction as necessary;  
C. Discuss timing of next update.

Darin Taylor 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 expressed concern about the independence of staff reporting on the implementation of audit recommendations versus the Chief Audit Executive (which is the practice at the State level) and requested further discussion.
- The Committee was not ready to close the completed Board-directed audits at this time and the timing for the next update report will require further discussion.
- The Committee requested staff to bifurcate Management-directed audits from Board-directed audits and share the recommendation tracker with the Committee including details for all open and closed audits for the past 10 years.

5.4 Discuss the 2022-2024 Annual Audit Work Plan.

Recommendation: A. Discuss the 2022-2024 Annual Audit Work Plan; and  
B. Provide further direction as needed.

Darin Taylor and George Skiles 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 received the information, took no formal action, and noted the following:

- The CAE will solicit feedback regarding the priorities from the full Board and other interested parties for the Annual Audit Work Plan and will provide a status update report.
- The Committee requested for the CAE to consider a gap analysis for the Management-directed, HR Audit.
- The Committee requested for the CAE to review the Risk Assessment based on the current environment and return with recommendations.

- 5.5. Receive and Discuss a Report from the Independent Chief Audit Executive (CAE), Sjoberg Evashenk Consulting, Regarding their performance in Calendar Year 2022, and Evaluate the Performance of the CAE.

Recommendation: A. Receive and discuss a report from the independent Chief Audit Executive (CAE), Sjoberg Evashenk Consulting, regarding their performance in calendar year 2022; and  
B. Evaluate the performance of the CAE.

George Skiles 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 received the information and took no formal action, and noted the following:

- The Committee provided positive feedback to the CAE regarding their performance in the Calendar Year 2022.

**6. 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.*

The Committee confirmed with Nicole Merritt the Committee Member Requests regarding additional audit information for Items 5.1 and 5.3.

**7. Adjourn:**

- 7.1. Adjourn to Regular Meeting at 2:00 p.m. on March 15, 2023.

Chairperson Keegan adjourned the meeting at 3:41 p.m., to the Regular Meeting at 2:00 p.m. on March 15, 2023.

Nicole Merritt  
Assistant Deputy Clerk II

Date Approved: March 15, 2023

**THIS PAGE INTENTIONALLY LEFT BLANK**