



BOARD AUDIT COMMITTEE MEETING

MINUTES

**THURSDAY, MAY 2, 2019
11:00 A.M.**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (Valley Water) Board Audit Committee (Committee) was called to order in the District Headquarters Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 11:00 a.m.

1. CALL TO ORDER:

- 1.1. Committee members in attendance were District 5 Director N. Hsueh, District 7 Director G. Kremen, and District 2 Director B. Keegan, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were D. Callahan, A. Cruz, M. Heller, F. Hernandez, B. Hopper, M. Meredith, A. Noriega, D. Taylor, T. Yoke, and M. Overland.

2. TIME OPEN FOR PUBLIC COMMENT:

- 2.1. Time Open for Public Comment on Any Item Not on The Agenda

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

3. APPROVAL OF MINUTES

None.

4. ACTION ITEMS

- 4.1 District Internal Audit Schedule and Board Audit Committee Review.

Recommendation: Discuss methods of Board Audit Committee monitoring of Santa Clara Valley Water District Internal Audits.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee requested the following actions:

- The Internal Audit Schedule should include management reviews, CEO audits, and Board Audits. Add the purchasing management review to the schedule.
- TAP International, Inc. (TAP) to incorporate the internal audit schedule into the Annual Audit Work Plan.

4.2 Review 2019 Committee Work Plan.

Recommendation: Review and make necessary adjustments to the 2019 Work Plan, and confirm regular meeting schedule for 2019.

Mr. Max Overland, Assistant Deputy Clerk II, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee made the following requests:

- TAP to update the BAC Work Plan using the new format.
- TAP to add scheduled Audit Charter items to the BAC Work Plan.

4.3 Board Audit Committee Audit Charter.

Recommendation: Approve final draft Audit Charter to be presented to the full Board.

Mr. Brian Hopper, Assistant District Counsel, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee requested the following actions:

- Director Hsueh to work with Mr. Hopper to prepare the final draft Committee Charter.
- Mr. Hopper to present the final Committee Charter to the full Board for approval at a future Board meeting.

5. INFORMATION ITEMS

5.1 Form 700 Procedure for Employee Promotions.

Recommendation: Review and discuss the Form 700 procedure for employee promotions.

Ms. Anna Noriega, Interim Administrative Officer, and Ms. Angelica Cruz, Employment Services Manager, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee took no formal action.

5.2 Board Independent Auditor Report Update – TAP International, Inc.

- Recommendation: A. Discuss the status of the Draft Annual Audit Work Plan; and
 B. Discuss the status of the Contract Change Order Audit.

Ms. Denise Callahan, TAP International, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee requested the following actions:

- To minimize staff burden, conduct no more than two audits in one operational area per year.
- TAP to add as-needed hours for QEMS review to the Non-Audit Services section.
- TAP to move Construction Project Management, and Risk Management audits higher on the priority list.
- TAP to move Community Engagement audits lower on the priority list.
- TAP to bring the revised Annual Audit Work Plan to the full Board.

5.3 Quality Environmental Management System (QEMS) and ISO Certification.

Recommendation: Receive and discuss information regarding the Quality and Environmental Management System and ISO Certification.

Ms. Felicia Hernandez, Program Administrator, reviewed the information on this item, per the attached Committee Agenda Memorandum.

The Committee took no formal action.

6. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS

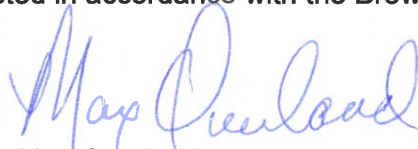
6.1 Clerk Review and Clarification of Committee Requests.

Mr. Overland read the new Committee requests into the record.

7. ADJOURN:

7.1 Adjourn to Regular Meeting as set by the Committee Chair.

Chairperson Keegan adjourned the meeting at 1:00 p.m. to the next meeting, which will be scheduled and posted in accordance with the Brown Act.


Max Overland
Assistant Deputy Clerk II