

PRELIMINARY SCOPE OF SERVICES

BOARD INDEPENDENT AUDIT CONSULTANT SERVICES

I. INTRODUCTION

The Santa Clara Valley Water District (District), located in San Jose, California, is seeking a qualified certified public accounting or auditing firm to provide consulting services and to conduct governmental program auditing services. The District will award [one or multi award] contract(s) for a term of 3 years.

II. PROGRAM OBJECTIVES

The selected Audit consultant (Consultant) will serve as advisors to assist the Board of Directors' Audit Committee (Audit Committee) in fulfilling its duties, responsibilities and functions. Specifically, the on-call Consultant will assess operational risks and advise on potential audits to ensure the District is in compliance with its policies, procedures and regulations. The recommended audits may or may not be conducted by the Consultant. The Consultant will also assist in preparing an annual program of audits with associated calendars, schedules and budgets and prepare formal and informal reports and presentations to the Audit Committee and the full Board of Directors. ~~Consultants will perform audits; prepare formal and informal reports and presentations and attend the regular and special meetings of the Audit Committee. They will serve as advisors to the Audit Committee and assist the committee in fulfilling its duties, responsibilities and functions. The audits will help determine the effectiveness and compliance with policies, procedures, and regulations. The audits will also help with decisions on improvement opportunities to further the District's mission and goals to serve the public.~~

III. PROJECT BACKGROUND

The Santa Clara Valley Water District (District) is the wholesale provider of water in Santa Clara County. A Board of Directors elected by the citizens of Santa Clara County, governs the District through a variety of methods ranging from public meetings and workshops to advisory committees and sub-committees. The Board's Audit Committee consists of three members of the Board. The Audit Committee develops a plan and initiates audits to evaluate and review various programs and functions of the District. The Committee also develops a priorities list and provides direction to staff regarding audit prioritization for Board audits. The plan and list are presented to the full Board for its consideration and approval.

IV. SCOPE OF SERVICES OVERVIEW

The Consultant will ~~initially conduct an be responsible to assessment of the current effectively integrate Audit Committee's~~ Audit Program and evaluate the audits and assessments currently underway. ~~requirements, scope, schedule, quality, risks, communication and resources to assist the District in defining the Program.~~ The Consultant's project services will support the Audit Committee in fulfilling its duties, responsibilities and program objectives as follows:

A. General Audit Committee services

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- i. Provide advice and recommendations on audits of government programs.
- ii. Develop an annual audit program, calendar and budget.
- iii. Conduct audits as directed by the Audit Committee.
- iv. Prepare and deliver formal and informal audit reports and presentations.
- v. Attend Audit Committee and Board meetings.
- vi. Meet with District staff as needed.
- vii. Provide additional staff resources as determined by the Audit Committee.

B. Specific audit services

i. The Consultant may be asked to conduct audits by the Audit Committee.

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ii. Following the completion of any audit the auditor shall issue a report that contains at a minimum:

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- a. An executive summary of the audit.
- b. Methodology and data used.
- c. The accuracy and fair representation of any financial transactions.
- d. Compliance with applicable laws, regulations, voter mandates, and policies.
- e. Effectiveness of internal controls governing District operations and finances.
- f. Material strength and weaknesses of programs reviewed by the auditor.
- g. Recommended improvements, if any.

iii. Reports will be provided in both a written and an unalterable electronic format for use by the District.

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~~iv.~~ All final audit reports are public documents under state and federal law and are to be made available upon any public request.

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V. AUDIT REQUIREMENTS

- A. Auditing Standards to be Followed: To meet requirements of this request for proposal, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's Government Auditing Standards (July 2007 Revision), the provisions of the Single Audit Act Amendments of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.