



DRAFT - MEETING MINUTES

February 26, 2018 5:00 p.m.

Committee Members

Present:

Mayor Lisa M. Gillmor, Acting Chair
Vice Mayor Kathy Watanabe
Council Member Patricia M. Mahan

Staff:

Chief Operating Officer, Walter C. Rossmann
Director of Finance, Staff Liaison, Angela Kraetsch
Accounting Division Manager, David Noce
Housing & Community Services Division Manager, Jonathan Veach

Guests:

Maze and Associates Shareholder, Grace Zhang
Maze and Associates Supervisor, Cody Smith

Matters for City Council Action: Recommendation to note and file the audited City of Santa Clara Single Audit Report for Fiscal Year ended June 30, 2017

1. Call to Order/Roll Call

Meeting was called to order by Mayor/Acting Chair Gillmor at 5:05 p.m.

2. Introduction and Opening Remarks

The Chief Operating Officer described the Single Audit that the City recently underwent and noted that the audit is conducted by Maze and Associates. He introduced the Maze and Associates team members.

3. Public Presentations

N/A

4. Approval of Minutes

Minutes from the City of Santa Clara Audit Committee meeting on December 6, 2017 to review the Comprehensive Annual Financial Report could not be approved as Committee Member Gillmor and Mahan abstained from voting due to them not being in attendance at the December 6, 2017 meeting. These minutes will be on the next Audit Committee meeting scheduled.

5. Documents – (Handout)

- a. Draft City of Santa Clara Single Audit Report

6. Presentation by Maze and Associates – Cody Smith, Supervisor

Cody Smith defined what the Single Audit is and went through Maze and Associates' audit process and results of their testing. He reported that the City is a low-risk City and this goes into their planning process and how their samples are selected.

Mr. Smith reported that the HOME Investment Partnership Program was the "major" program selected for auditing this fiscal year.

He then detailed the Schedule of Expenditures of Federal Awards (SEFA), showing the total federal expenditures the City made during fiscal year 2016/17.

Mr. Smith went through the opinions issued by Maze and Associates and reported that both opinions were unmodified.

Mr. Smith then detailed a finding related to the HOME program. Maze and Associates indicated it wasn't a finding they uncovered but rather a finding related to an independent Housing and Urban Development (HUD) audit that occurred in previous years.

Mr. Smith then gave an overview of the Uniform Guidance that govern the Single Audit, pointing out that one of the requirements is to provide a corrective action plan for the reported finding, which the City has done.

7. Overview and Discussion of Single Audit Report – David Noce, Accounting Division Manager and Jonathan Veach, Housing Division Manager

Mr. Noce and Mr. Veach addressed the finding reported by Maze and Associates and went over the corrective action report that is part of the Single Audit report.

Mr. Veach also detailed the types of programs that the City spends HOME grant funds on.

Mr. Noce and Mr. Veach responded to questions from committee members.

8. Recommendation

Motion was made by Committee Member Mahan and seconded by Committee Member Watanabe to accept the audited City of Santa Clara Single Audit Report for Fiscal Year ended June 30, 2017 and recommend that the City note and file the report at the March 20, 2018 City Council meeting. Motion carried unanimously 3:0.

9. Adjournment

Meeting was adjourned at 5:31 p.m.