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| Date      | Ver. | Action By       | Action                        | Result |
|-----------|------|-----------------|-------------------------------|--------|
| 9/10/2019 | 1    | Audit Committee | Approved Staff Recommendation | Pass   |

**REPORT TO AUDIT COMMITTEE**

**SUBJECT**

Information Report on the Status of Harvey M. Rose Associates Audit Recommendations

**BACKGROUND**

On July 25, 2016, the Santa Clara Stadium Authority Board (Board) retained the services of Harvey M. Rose Associates, LLC (Auditor) to perform an audit of Stadium operations to ensure compliance with the 2010 voter approved Measure J. The Board approved, on July 19, 2016, appointing a three-member Ad-Hoc Stadium Audit Committee (Committee)to oversee the work and progress of the audit.

On November 27, 2017, staff presented the following to the Committee: (1) standard audit recommendation tracking matrix listing the thirty-seven audit recommendations, (2) designation for the status of the recommendation (e.g., Complete, Partially Complete, or Not Implemented), and (3) action taken to date. This matrix continues to be used as a tool to track staff’s progress and to be presented to the Committee at future meetings.

On March 19 and October 29, 2018, staff provided an update to the Committee on the progress towards implementing the thirty-seven audit recommendations.

On November 27, 2018, staff provided an update to the Board on the progress towards implementing the thirty-seven audit recommendations. Twenty-five, or 68%, of audit recommendations are complete, and the remaining twelve are “Partially Complete”.

**DISCUSSION**

Since the release of the November 2018 status report to the Board, Stadium Authority staff continues to progress on the remaining Partially Complete audit recommendations included in the attached Harvey M Rose Audit Recommendations matrix. Since that time, several key staff have left the City,

or are taking extended leaves, and there has been no capacity to complete an update of the report; however, staff anticipates bringing forward a full report regarding the status and progress of the audit recommendations in January 2020.

For your reference, the attached Harvey M. Rose Audit Recommendations matrix provides the auditor's recommendation and a detailed description of the action taken as of October 2018. The matrix is color coded by status with items that were previously deemed as completed shown in grey, new proposed completed items shown in green, and partially complete (items that are in process) shown in orange.

It should also be noted that this report was previously provided to the Stadium Ad Hoc Audit Committee. Since the retirement of Councilmember Kolstad, a replacement member for the Stadium Ad Hoc Audit Committee has not yet been determined. Until that determination is made, the status of the Harvey M. Rose Audit Recommendations will continue to be brought forward to the Audit Committee.

### **COORDINATION**

This report was coordinated with the City Attorney's Office.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

### **FISCAL IMPACT**

There is no fiscal impact to the Audit Committee with this status update; however, there are decisions that the Stadium Ad Hoc Committee/Audit Committee will recommend to the SCSA Board that may have a fiscal impact. Further, staff is currently analyzing the audit data to determine if any additional reimbursement is due from the Stadium Authority to the City's General Fund.

### **PUBLIC CONTACT**

Public contact was made by posting the Audit Committee agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Note and file an update on the status of the Harvey M. Rose Associates Audit Recommendations.

Reviewed by: Kenn Lee, Director of Finance/Treasurer for Stadium Authority

Approved by: Deanna J. Santana, City Manager/Executive Director for Stadium Authority

### **ATTACHMENTS**

1. October 2018 Status of Harvey M. Rose Associates Audit Recommendations