



**AGENDA  
AUDIT COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS  
INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS, CHINO, CA 91708**

**MONDAY, JUNE 11, 2018  
9:00 A.M.**

**CALL TO ORDER**

**PUBLIC COMMENT**

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which is available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

**ADDITIONS TO THE AGENDA**

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

**1. ACTION ITEM**

**A. MINUTES**

The Committee will be asked to approve the Audit Committee meeting minutes of March 12, 2018.

**B. FY 2018/19 ANNUAL AUDIT PLAN**

Staff recommends that the Committee/Board:

1. Approve the FY 2018/19 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to finalize the FY 2018/19 Annual Audit Plan.

**2. INFORMATION ITEMS**

- A. FY 2018/19 FINANCIAL AUDIT - COMMUNICATIONS REQUIRED BY SAS 114 (WRITTEN/POWERPOINT)**
- B. GARDEN IN EVERY SCHOOL PROGRAM REVIEW (WRITTEN/POWERPOINT)**
- C. REPORT OF OPEN AUDIT RECOMMENDATIONS (WRITTEN)**
- D. INTERNAL AUDIT DEPARTMENT QUARTERLY STATUS REPORT (WRITTEN)**

**3. GENERAL MANAGER'S COMMENTS**

**4. AUDIT COMMITTEE ADVISOR COMMENTS**

**5. COMMITTEE MEMBER COMMENTS**

**6. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

**7. ADJOURN**

\*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by:     *SH*    

**DECLARATION OF POSTING**

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, June 7, 2018.

  
\_\_\_\_\_  
April Woodruff

Audit Committee

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**ACTION  
ITEM**

**1A**



**MINUTES  
AUDIT COMMITTEE MEETING  
INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS, CHINO, CA  
MONDAY, MARCH 12, 2018  
9:00 A.M.**

**COMMITTEE MEMBERS PRESENT**

Kati Parker, Chair  
Steven J. Elie

**COMMITTEE MEMBERS ABSENT**

None

**STAFF PRESENT**

Halla Razak, General Manager  
Christina Valencia, Executive Manager of Finance & Administration/AGM  
Javier Chagoyen-Lazaro, Manager of Finance & Accounting  
Sapna Nangia, Senior Internal Auditor  
Peter Soelter, Senior Internal Auditor  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT**

Debbie Harper, LSL CPAs and Advisors  
Travis Hickey, Audit Committee Advisor

The meeting was called to order at 9:00 a.m. There were no public comments received or additions to the agenda.

**ACTION ITEMS**

The Committee:

- ◆ Approved the Audit Committee meeting minutes of December 11, 2017.

**INFORMATION ITEMS**

The following information items were presented, received, or filed by the Committee:

- ◆ Wire Transfers Audit Report
- ◆ Procurement Card Audit
- ◆ Internal Audit Department Quarterly Status Report

**GENERAL MANAGER'S COMMENTS**

The General Manager had no comments.

**AUDIT COMMITTEE ADVISOR COMMENTS**

Audit Committee Advisor Travis Hickey reported that he and Internal Audit Manager Teresa Velarde had attended the City of Beaumont's session on fraud.

**COMMITTEE MEMBER COMMENTS**

There were no Committee Member comments.

**COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

There were no Committee Member requested future agenda items.

With no further business, the meeting adjourned at 10:58 a.m.

Respectfully submitted,

Sally Lee  
Executive Assistant

\*A Municipal Water District

**APPROVED: JUNE 11, 2018**

**ACTION  
ITEM**

**1B**

**Date:** June 20, 2018

*Teresa Velarde*

**To:** The Honorable Board of Directors

**From:** Teresa Velarde, Manager of Internal Audit

**Committee:** Audit

06/11/18

**Manager Contact:** Teresa Velarde, Manager of Internal Audit

**Subject:** FY 2018/19 Annual Audit Plan

**Executive Summary:**

The Agency's Board approved Audit Committee Charter, requires the Audit Committee to:

- approve a flexible Annual Audit Plan of proposed audit projects, and submit that plan and periodic updates to the Agency Board for review and approval; and
- approve any special projects requested by management, the Audit Committee or the Board.

The attached Annual Audit Plan is a flexible plan of proposed audit projects, with the goal of targeting activities and business units depending on the assessed risk, level of priority, and/or requests by the Board, the Audit Committee and/or Executive Management. The Annual Audit Plan is used as a guide in selecting and planning for the audits. The Institute of Internal Auditors (IIA) Standards recommend that periodic risk assessments be performed to ensure information captured is relevant, timely, and aligned with the Agency's changing environment, objectives, and direction. Internal Audit (IA) prepares the Annual Audit Plan and submits quarterly status reports and amendments, as required. In addition to on-going and miscellaneous audit projects, the audit projects proposed for FY 2018/19 include: Reserve Obligations and Inter-Fund Transfers Audits, Fleet Management Audit, Fuel Card Program Audit, and follow-up reviews to evaluate the implementation status of prior audit recommendations provided.

**Staff's Recommendation:**

It is recommended that the Board of Directors:

1. Approve the FY 2018/19 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to finalize the FY 2018/19 Annual Audit Plan.

**Budget Impact** Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

**Fiscal Impact** (explain if not budgeted):

Only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

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**Prior Board Action:**

On December 20, 2017, the Board of Directors reconfirmed the approved Audit Committee and the IA Department Charters. Both Charters require the Manager of IA to complete and present the Annual Audit Plan.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that audits and recommendations evaluate and promote a strong control environment and assist management in achieving organizational goals.

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**Attachments:**

Attachment 1 - FY 2018/19 IA Department Annual Audit Plan





***Fiscal Year  
2018-2019***

***Internal Audit Department  
Annual Audit Plan***

**Submitted by:  
Teresa V. Velarde  
Manager of Internal Audit Department  
June 20, 2018**

***The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that audits and recommendations evaluate and promote a strong control environment and assist management in achieving organizational goals.***

## **Annual Audit Plan Contents**

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## *Purpose of the Internal Audit Department*

According to the Board-approved Charter, the purpose of the Internal Audit Department (Internal Audit or IA) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations.

The purpose of the Internal Audit Department is also to provide consulting services, analyses, recommendations and information concerning the operations of the Agency as a service to management and as a way of adding value to improve the operations of the Agency. Internal Audit assists management and staff in achieving organizational goals and objectives by providing recommendations and advisory services based on results of analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations.

The Internal Audit Department follows the guidance of the globally accepted *International Standards for the Professional Practice of Internal Auditing (Standards)* as documented in the International Professional Practices Framework (IPPF) and the Code of Ethics issued by the Institute of Internal Auditors (IIA) (<https://na.theiia.org>). This guidance is documented in the Internal Audit Department Charter.

The Internal Audit Department reports directly to the Board of Directors through the Audit Committee. The Internal Audit Department has a dotted line reporting relationship to the General Manager and works in cooperation with the Executive Management Team but, as described in the Charter and according to the IIA *Standards* and best practices, is an independent function from Agency management, to provide objective analysis and recommendations. Independence is essential to the effectiveness of internal auditing and is emphasized by the Institute of Internal Auditors (IIA). The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board of Directors.

### **Mission Statement**

*The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:*

- *Promoting a sound control environment.*
- *Providing independent, objective assurance and consulting services.*
- *Improving Agency risk management, control and governance.*
- *Promoting the Agency's vision and mission with a high degree of professionalism.*

### **Internal Audit Department Values**

*The Internal Audit Department has adopted the following value statements that form the foundation for the Internal Audit Department:*

#### **Independence**

*As documented in the Charter, the Internal Audit Department is an independent function of the Agency for the purpose of providing independent, objective, unbiased opinions.*

#### **Integrity**

*The Internal Audit Department staff is required to maintain the highest degree of integrity in conducting its audit work.*

#### **Professionalism**

*The Internal Audit Department will perform its work with professionalism at all times.*

#### **Collaboration**

*The Internal Audit Department will foster collaboration with all Agency personnel to promote teamwork within the various business units.*

### *Purpose of the Annual Audit Plan*

The Annual Audit Plan (Audit Plan) has been prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors (IIA). The Audit Plan allows the Manager of Internal Audit to carry out the responsibilities of the Internal Audit Department by prioritizing projects and allocating necessary resources where audit efforts are deemed appropriate and necessary. The Audit Plan is created to assist management and the Board in achieving organization goals and objectives.

The Audit Plan is a flexible plan of internal audit activities and was developed using an appropriate risk-based methodology, including any risks or control concerns identified or communicated by Management, the Internal Audit Department, External Auditors, the Audit Committee's Independent Advisor, the Audit Committee or Board. Additionally, IA evaluated the reports that came through the Agency's anonymous hotline, EthicsPoint, to determine if any of the reported items are under the purview and scope of IAs activities or should be considered in planning audit projects. The overall objective is to develop a plan consistent with the Agency's goals and objectives, to address the highest risk areas within the Agency and to evaluate and contribute to the improvement of risk management, control and governance processes, additionally to add value by recommending opportunities for improvements to increase effectiveness and efficiency of operations.

To provide practical guidance and an authoritative framework for the development of the Annual Audit Plan, the Internal Audit Department recognizes the following items: Achieving one hundred percent audit coverage each year is not practical or achievable. It should be noted that audit resources are limited; therefore, a system for prioritizing audits has been employed. The Annual Audit Plan must be a flexible plan and should be amended periodically as deemed necessary to reprioritize areas that require attention. In preparing the Annual Audit Plan, consideration is given to the work performed by other auditors, regulatory authorities, established rules, laws and ordinances and the Agency's system of controls. Auditable areas are ranked by knowledge of known or perceived areas of risk and understanding of the systems of internal controls. It should be noted that there are inherent risks, residual risks and limitations with any methodology applied when prioritizing risks and ranking audit projects; risk factors exist with any system of controls.

As stated in the Internal Audit Department Charter, the Manager of Internal Audit will set audit frequencies, select the subjects and set objectives, determine the scope of work and apply the techniques required to accomplish the audit objectives. The Manager of Internal Audit has the authority to deviate from the approved annual Audit Plan, when necessary, and if warranted by unforeseen issues that require immediate attention. The Manager of Internal Audit will use professional discretion and judgment in response to such unforeseen issues and resolve them according to the requirements of the Charter. Significant changes to or deviations from the approved Annual Audit Plan shall be reported to the Audit Committee and to the Board at the next regularly scheduled Audit Committee meeting.

Both the IAD Charter and the IIA's Code of Ethics have strict standards of ethical conduct for internal auditors. Internal auditors have a responsibility to maintain independence, ensure integrity, objectivity, confidentiality and competency in work performed.

### *Annual Audit Plan Methodology*

In planning for the Internal Audit projects the following were also considered:

- The Internal Audit Department Charter
- The Audit Committee Charter
- Communications with the Audit Committee and the Board of Directors
- Communications with Executive Management and key Agency personnel
- Communications with the External Financial Auditors
- Communications with the Audit Committee Independent Advisor
- Prior audit findings and recommendations
- Assessed risks in business practices and operations
- Agency's goals and objectives, including activities, developments and changes
- Agency policies & procedures
- Key areas that affect revenue and expenses
- Identified opportunities to improve operations and add value to services
- New audit requirements, audit trends and leading practices
- Audit Department resources

For the Fiscal Year 2018/19 Annual Audit Plan, the audits were selected based on all things considered as discussed above, the results of audits completed, risks identified and auditor judgement. Significant deviations and changes to the Audit Plan will be communicated to the Audit Committee through an Amended Audit Plan and progress information is provided through Quarterly Status Reports presented to the Audit Committee.

*FY 2018/19 Annual Audit Plan:*

**The first 2 audits (Reserve Obligations and Inter-Fund Transfers) were scheduled for 2017/18; but were deferred due to prioritizing the P-Card Audit and the Garden In Every School Program Audit which were considered a higher priority during the time.**

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**Reserve Obligations**

To evaluate whether the Agency complies with all Agency policies, legal and regulatory requirements for maintaining the required and/or necessary reserve balances and if balances are invested or available as mandated by those reserve obligation requirements/policies.

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**Inter-Fund Transfers**

To evaluate whether the Agency complies with all Agency policies, legal and regulatory requirements over inter-fund transfers and whether transfers are documented appropriately and recorded accurately in the Agency's financial statements.

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**Fleet Management Audit**

Evaluate controls over the procurement, accountability, issuance and maintenance over Agency fleet vehicles.

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**Fuel Card Program Audit**

Evaluate internal controls over the use of the Agency's Fuel Card to ensure it meets the requirements of the Agency's policies, and there are sufficient controls in place to ensure it is safeguarded from loss, theft, misuse or abuse and it is used in the most effective manner.

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**Follow-up Reviews to evaluate the status of outstanding recommendations**

As required by the Charters and audit standards, IA will follow up on the status of outstanding recommendations to determine if corrective actions or alternate internal controls were implemented. To-date there are 110 outstanding audit recommendations, 81 which require follow-up action and 30 are deferred. Follow-up reviews are scheduled as noted in the chart that follows on Page 9.

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### *On-Going Projects for FY 2018/19*

- ❖ Internal Audit Department Quality Assurance and Improvement Program
- ❖ Assist with annual CAFR Review and Filing
- ❖ Review and update IA Department and Committee Charters
- ❖ Continue to assist with SAP internal control inquiries
- ❖ Continue to participate with the Enterprise Content Management System (ECMS) Committee, Safety Committee and the Technology/Cybersecurity Committees.
- ❖ Provide needed support related to audit topics, internal controls, Agency policies and procedures and compliance items
- ❖ Further utilize capabilities of SAP to enhance IA functions
- ❖ On-going required administrative reporting, such as, budget, goals/objectives, staff appraisals, and other administrative items.
- ❖ Conduct special requests and/or unforeseen projects
- ❖ Provide recommendations to strengthen/streamline policies and procedures
- ❖ Update IA Annual Audit Plan and corresponding Risk Assessment
- ❖ Continue to work with auditees to resolve outstanding recommendations
- ❖ Assist with requests for internal controls questions, discussions and evaluations
- ❖ Continue to review, update and document IA Policies and Procedures
- ❖ Continuous Professional Development of all auditors
- ❖ Plan, prepare and coordinate Audit Committee Meetings
- ❖ Utilize the IA site on AIM as an Agency-wide communication tool
- ❖ Unannounced Petty Cash Audits
- ❖ Provide "audit approach" presentations to requesting departments and/or for/within professional associations as a guest speaker



### *Outstanding Recommendations*

The Internal Audit Department Charter requires follow-up action be taken to ensure that management has effectively implemented recommendations or alternate controls have been incorporated to mitigate the risks identified. Follow-up audit work includes detailed testing and verification by Internal Audit staff. Below is a table of the Outstanding Recommendations:

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Payroll Audit	August 24, 2010	1	Annually
Intercompany Receivables - Watermaster	August 30, 2011	1	FY 2019
SCE Utility Payments	August 28, 2013	1	FY 2019
Accounts Payable Follow-Up	August 29, 2013	9	FY 2019
Automobile Insurance Requirements	March 3, 2014	2	FY 2019
Vehicle Security Procedures	March 3, 2014	3	FY 2019
Vehicle Inventory Procedures	March 12, 2014	13	FY 2019
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2020
Master Trade Contracts	September 1, 2016	6	FY 2020
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2020
Audit of Master Services Contracts	December 5, 2016	3	FY 2020
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2020
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2020
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2020
Payroll Operations Audit	August 30, 2017	6	FY 2020
Procurement Card Audit	March 1, 2018	7	FY 2021
Wire Transfers Audit	March 1, 2018	5	FY 2021
<b>Total Outstanding Audit Recommendations</b>		<b>79</b>	
<b>Recommendations related to the Regional Contract Review</b> (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these unless requested to do so or after the new contract is executed.)			
Regional Contract Review – Final Audit Report	December 16, 2015	<b>31</b>	Pending – Renegotiation of the Regional Contract

*\*See the Report of Open Recommendations under separate cover.*

During FY 2017/18, IA reviewed and verified the implementation status of 5 open recommendations related to 2 different audits. The list reports there are 79 open recommendations, of which 19 recommendations relate to audits completed recently. An additional separate 31 recommendations relate to the Regional Contract Review, which will most likely be implemented through the renegotiation of the Regional Contract. Because all audit resources were utilized primarily for this effort, follow-up activities were temporarily on hold. Audit guidelines suggest that an adequate amount of time be granted to provide auditees with sufficient time to implement corrective action plans. Follow-up audit work for some of the open recommendations will be incorporated and completed along with the proposed projects. Required follow-up audit work will include a desk review of supporting documentation, follow-up discussions with the auditee, and/or the application of testing procedures to verify implementation.



*Long Range Audit Planning - Additional / Possible Audit Areas*

Internal Audit has identified additional audit areas. This list has been compiled as a preliminary list of future potential audits and as a list of additional, important audit areas where audit resources and efforts could be utilized. This is not a comprehensive/complete list. These audit areas have been selected based on identified risks at the time of completing this Audit Plan. If the risk/priority in any of the identified auditable areas increases, IA would perform the required audit/evaluation.

<p><b>Accounts Payable Audit – Review of Agency Credit Cards</b>          Select a specific vendor or types of payments, for example travel credit cards and gas credit cards to ensure that transactions do not bypass the required procurement processes.</p> <ul style="list-style-type: none"> <li>• Review financial transactions and supporting documents</li> <li>• Evaluate internal controls</li> <li>• Compliance with policies and procedures</li> </ul>
<p><b>Duplicate Payments/Late Payments/Fees and Penalties</b>          This area was covered during the previous Accounts Payable audit. The goal for this audit is to make this a recurring evaluation to check for the three types of payments (duplicates, late payments or preventable fees and penalties). This audit would cover a greater sample and would implement an audit program to periodically check for these types of payments.</p>
<p><b>Data Analytics</b>          Fully utilize existing technology to gather additional data and analytical information to assist auditing. In addition, explore and expand utilizing new technology and tools to build and customize dashboards, reports and other analytics tools to assist with audit reviews and monitoring of transactions in various areas, such as payments, payroll, contract payments, etc.</p>
<p><b>Travel Expenses and Policy Compliance</b>          Review Agency policies and internal controls as they relate to employee travel expenses and reimbursements to ensure adequate procurement methods are followed and policy requirements for appropriate reimbursements are followed.</p>
<p><b>Water Connection Fee</b>          To evaluate the controls over the collection and recognition of revenue for the Water Connection Fee implemented in 2016, including ensuring adequate segregation of duties and procedures are in place to reconcile new water connections to ensure all water connection fees are being collected. Audit procedures will include: a review of internal controls; compliance with Agency policies and procedures; and the effectiveness and efficiency of operations. The departments with the primary responsibility are the Planning and Finance and Accounting Departments.</p>
<p><b>Capital Projects</b>          The external financial auditors noted deficiencies with the process for closing completed capital projects. Projects were left open long after the project had been completed, therefore, impacting the accounting value of capital assets. This audit would focus on evaluating when open capital projects have been completed and examining when the construction in progress balances are closed to capital assets. The departments primarily engaged are the Finance and Accounting and the Engineering departments.</p>

### **Various or Other Agreements**

Evaluate the variety of special and/or other types of agreements the Agency may have with other agencies or vendors that may or may not be formalized under an official Agency contract. This audit would also evaluate whether the special agreements provide preferential treatment or significant discounts/credits when compared to similar agencies for similar services.

### **Telephone Expense**

The Agency pays for telephone services provided by landline phones, smartphones, and for data connections. Audit areas include the following:

- Determine efficiencies that could be achieved through consolidating billings
- Identify ways to streamline billing processes
- Comparison of charges on different bills to ensure consistency and accuracy
- Identify opportunities for savings
- Evaluate whether phones issued to employees are used for the intended purpose according to Agency policies

### **Bid and Selection Process for Construction Contracts**

To review the bid and selection process to ensure all legal and regulatory requirements are considered in the process, including grant requirements, where applicable, and that all contracts include required language. Additionally, to evaluate the process to award contracts and projects to pre-qualified contractors/vendors and ensure processes conform to legal and Board-approved requirements and are documented in formal operating procedures.

### **Asset Management**

The Agency currently has \$1.1 billion in total assets. An audit of this area would evaluate the accountability and controls to ensure assets are properly recorded in the Agency's financial records. Additionally, to determine if periodic inventories or other valuation processes are performed to validate the amount of assets reported in accounting records.

### **Operations**

Facility Operations, Groundwater Recharge and Organics Management are programs under Operations Administration. The audit scope of any of these areas would focus on required permit compliance requirements, preventive maintenance of plants, staff training and staff certifications to operate plants/facilities, chemical and equipment use, and customer service to the service area, where applicable.

### **Recycled Water Program – Revenue**

Recycled water revenue in FY 2016/17 was almost \$16.4 million. An audit of this area would determine the accuracy of revenues and identify any additional revenue due the Agency. The Finance and Accounting and the Planning departments will be the primary contact departments.

## *Risk Assessment Strategy*

The IIA IPPF standard 2120 states that Internal Audit must evaluate the effectiveness and contribute to the improvement of risk management processes.

The IIA IPPF defines Risk as follows:

- **Risk** – The possibility of an event occurring that will have an **impact on the achievement of objectives**. Risk is measured in terms of impact and likelihood and;
- **Residual Risks** – As the risk remaining **after management acts to reduce the impact** and likelihood of an adverse event, including control activities in response to a risk.

The risk assessment is a general assessment performed using best practice guidance, professional judgment and consideration for the impact on the Agency's operations if the targeted units fail to function in the most effective and efficient manner or neglect to comply with required policies. In performing the Risk Assessment for this FY 2018/19 Annual Audit Plan, the following were considered:

- Agency Policies and Procedures
- Communication with the External Auditors
- Communication with the Audit Committee and Board
- Communications with key Agency personnel
- Assessing risks and exposures that may affect the organization
- New Agency activities, developments and major changes
- Key areas that affect revenue and expenses
- Observations resulting from previous audits and reviews
- New audit requirements and trends
- Opportunities to improve operations

## *Audit Universe*

The IIA PPF defines Universe as all possible auditable areas. For the purposes of this Annual Audit Plan, the universe includes all Agency Departments, operations, contracts, transactions, processes, and activities.

### *Quality Assurance and Improvement Program*

The Institute of Internal Auditing (IIA), International Professional Practices Framework (IPPF) defines a Quality Assurance and Improvement Program: “A quality assurance and improvement Program is designed to enable an evaluation of internal audit activity’s conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.”

Standard 1311 of the IPPF requires that internal assessments include ongoing monitoring of the performance of internal audit activity; and periodic reviews performed through self-assessments.

Standard 1312 of the IPPF requires that external assessments be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

As part of IA’s commitment for continued quality audit services, beginning FY 2019/20, IAD will perform internal assessments of the IAD. An external assessment by an independent reviewer is planned for FY 2020/21. Results will be presented and discussed at the regularly scheduled Audit Committee meetings.

Audit Committee

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**INFORMATION**

**ITEM**

**2A**

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**Date:** June 20, 2018

**To:** The Honorable Board of Directors

**From:** Teresa Velarde, Manager of Internal Audit

**Committee:** Audit

06/11/18

**Manager Contact:** Teresa Velarde,  Manager of Internal Audit

**Subject:** FY 2018/19 Financial Audit - Communications Required by SAS 114

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**Executive Summary:**

Statement on Auditing Standards No. 114 (SAS 114) requires the financial statement auditors to communicate the planned scope and timing of the audit. SAS 114 also describes the auditor's responsibility to inquire of the Audit Committee information that should be considered in the auditor's risk assessment. The Agency's external auditors are Lance, Soll & Lunghard, LLP (LSL), an independent CPA firm. This year will be LSL's third year performing the financial audit of the Agency. Attached is the required communication letter under SAS 114. During the Audit Committee meeting, Ms. Deborah Harper, partner with LSL will provide a presentation related to the audit scope and approach, as well as the required communications.

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**Staff's Recommendation:**

This is an information item.

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**Budget Impact** *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

*Account/Project Name:*

N/A

*Fiscal Impact (explain if not budgeted):*

N/A

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**Prior Board Action:**

On March 16, 2016, the Board approved Contract Number 4600002079, in the amount of \$100,820, with Lance, Soll and Lunghard, LLP, to provide Annual Financial and Single Audit Services for the Inland Empire Utilities Agency, and also Contract Number 4600002081, in the amount of \$12,450, both, to complete the required audits for the three (3) fiscal years ending 2015/16, 2016/2017 and 2017/18 with the option for an additional two (2) fiscal years.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The annual financial statement audit of the Agency is a requirement per the Agency's approved Fiscal Ordinance and other regulatory requirements and is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that the financial audit evaluate and promote a strong control environment and assist management in achieving organizational goals.

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**Attachments:**

Attachment 1 - FY 2018/19 Financial Audit - Communications Required by SAS 114 Letter  
Attachment 2 - PowerPoint





CPAs AND ADVISORS

May 31, 2018

To the Honorable Chair and Members of the Board  
Inland Empire Utilities Agency

We are engaged to audit the financial statements of each major fund and the aggregate remaining fund information of the Inland Empire Utilities Agency (Agency), the financial statements of the Chino Basin Regional Financing Authority (Authority), and the Single Audit for the year ended June 30, 2018. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we will consider the internal control of the Agency. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with Uniform Guidance, we will examine, on a test basis, evidence about the Agency's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Agency's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Agency's compliance with those requirements.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.





To the Honorable Chair and Members of the Board  
Inland Empire Utilities Agency

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis, the schedule of changes in net pension liability and related ratio, the schedule of plan contributions related to pensions, schedule of change in net OPEB liability and related ratios, schedule of contributions related to OPEB and schedule of investment returns related to OPEB which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining and individual fund statements and schedules which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory and statistical sections which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

#### **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to issue our report on approximately December 1, 2018.

This information is intended solely for the use of the governing board and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Lance, Soll & Luyhard, LLP*



Inland Empire Utilities Agency  
June 11, 2018

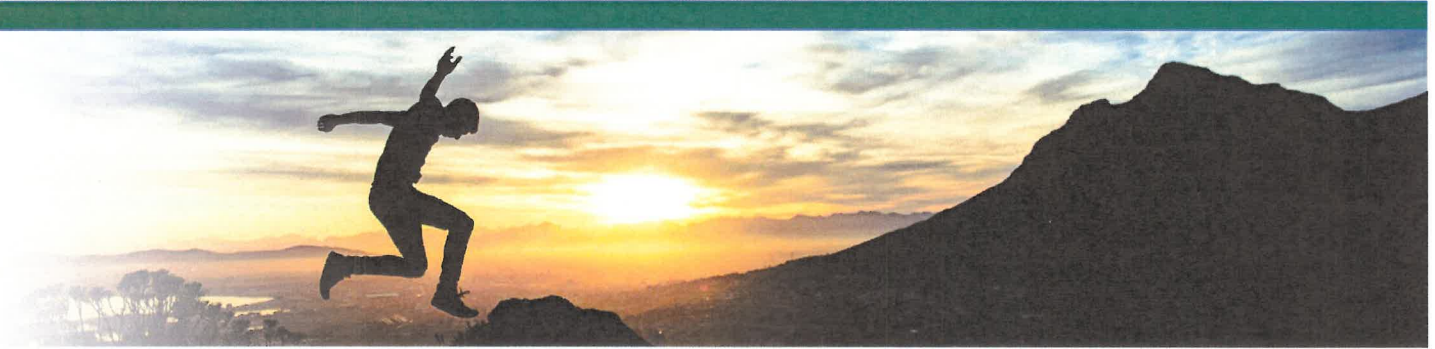


# Audit Planning Communication

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## FY 2018/2019

Focused  
on YOU



## Audit Team:



Debbie Harper, CPA

Engagement Partner



Ryan Domino, CPA

Engagement Manager



Geoff Horita

Engagement Senior



## Engaged to perform audit of financial statements

- Inland Empire Utilities Agency
- Chino Basin Regional Financing Authority
- Inland Empire Regional Composting Authority
- Single Audit



## Standards used to perform these audits

- U.S. Generally Accepted Auditing Standards
- Government Auditing Standards
- Single Audit Act under the provisions of the Uniform Guidance



## Purpose of the audit

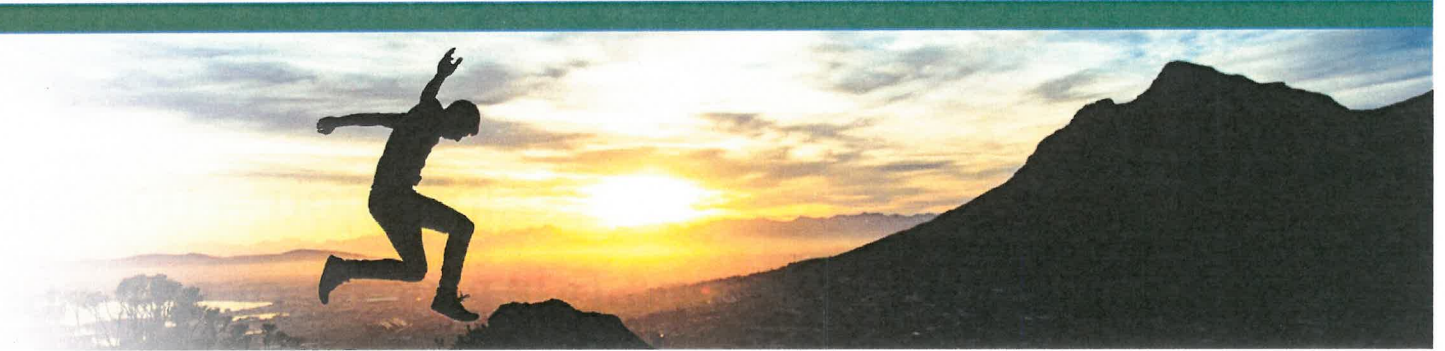
- Express opinions about whether your Financial Statements are fairly stated in all material respects:
  - The Financial Statements are prepared by Management with Members of the Board oversight



## Auditor responsibility

- Plan and Perform the audit to obtain reasonable, not absolute, assurance the financial statements are free of material misstatements
- Consider the internal controls of the Agency
- Our understanding of internal controls is used to determine audit procedures each year
- We do not audit internal controls or provide assurance on your controls





## In addition

- We consider internal control over compliance with the requirements of material major federal programs
- We will test and report on significant matters that have come to our attention



## Comprehensive Annual Financial Report

- Introductory Section – not audited
- Basic Financial Statements - audited
- Required Supplementary Information – not audited, limited procedures performed
  - MD&A
  - Supplemental Schedules Pension & Other Post-Employment Benefits
- Supplemental Information – not audited, but presentation evaluated and tied to supporting financial information
- Statistical Section – not audited



## Planning communication

- We are in planning stages
- Feedback from audit committee included
- Perform interim testing on internal control evaluations week of 5/29
- Recommendations provided throughout audit to management
- Significant deficiencies will be reported to board at conclusion unless something merits immediate attention



**Questions or Comments?**

**Thank you**

Audit Committee


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**INFORMATION**  
**ITEM**  
**2B**

**Date:** June 20, 2018

**To:** The Honorable Board of Directors

**Committee:** Audit

  
**From:** Teresa Velarde, Manager of Internal Audit

06/11/18

**Manager Contact:** Teresa Velarde, Manager of Internal Audit

**Subject:** Garden in Every School® Evaluation Report

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**Executive Summary:**

Internal Audit (IA) completed a review of the Garden in Every School® program to evaluate whether gardens are being used as intended, determine whether students are receiving value from the gardens and identify observations and opportunities to improve the program. IA collaborated with Agency staff, school administrators and others. The report includes seven recommendations to consider:

1. Reevaluate, update and confirm the goals and objectives of the program.
2. Determine how best to coordinate the responsibilities for the program to ensure greater coordination and stronger authority and accountability over the program.
3. Provide an annual written and oral report to the Board assessing the status of the program and how the program is meeting its goals with recommendations and/or new goals for the program.
4. Continue to oversee and monitor the gardens installed by scheduling follow-up site visits, providing schools with requirements and expectations, and ensuring hands-on activities.
5. Consider a communication tool to create a support network to share ideas and resources.
6. Consider providing each garden with a permanent identifying information to post in the garden, such as a sign or plaque about the garden with the Agency's contact information.
7. Consider a post-implementation evaluation of gardens with all parties involved in installation.

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**Staff's Recommendation:**

This is an information item.

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**Budget Impact** Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

**Fiscal Impact** (explain if not budgeted):

N/A

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**Prior Board Action:**

On June 21, 2017, the Board approved the IA Annual Audit Plan and then reviewed subsequent Quarterly Status Reports with updates about audit projects.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

IA evaluation of the Garden in Every School® program is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring that IA's evaluations provide recommendations for improving and safeguarding the Agency's fiscal health, promoting a strong control environment and assisting management in achieving organizational goals.

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**Attachments:**

Attachment 1 - Garden in Every School® Evaluation Report  
Attachment 2 - PowerPoint



*Inland Empire Utilities Agency*  
A MUNICIPAL WATER DISTRICT

# *Garden in Every School<sup>®</sup>* *Evaluation Report*



**Prepared by:  
Internal Audit Department  
May 31, 2018**



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## **Executive Summary**

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### **Business Goal**

*The Garden in Every School® program is consistent with the Agency's Business Goals of Environmental Stewardship, Water Reliability, and Business Practices by the installation of water wise gardens at schools (grades K-12) that engage and promote environmental responsibility, water use efficiency and reliability, and further the Agency's Vision to enhance and preserve the quality of life throughout the region by engaging in public outreach through education programs that benefit the community.*

*The Internal Audit Department's (IA) evaluation of the Garden in Every School® program is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by ensuring objective, independent evaluations provide recommendations for improving and safeguarding the Agency's fiscal health, promote a strong control environment and assist management in achieving organizational goals.*

### **Authority**

At the request of the Audit Committee Chair and with direction from the General Manager, IA collaborated with External Affairs (EA) and the Planning and Environmental Resources (Planning) Departments to perform an evaluation of the Garden in Every School® (GIES) program. Since its inception in 2004, the program has led to the installation of gardens at 62 schools within IEUA's service area.

### **Scope**

The objectives of the evaluation were to:

- Evaluate if the gardens are being used as intended
- Evaluate whether students are receiving value from the garden
- Identify observations and opportunities to improve the program

### **Audit Procedures Applied**

- Interviews of Agency staff
- Interviews of school administration
- Interviews of Chino Basin Water Conservation District staff
- Physical observations of gardens
- Review of supporting information
- Review of prior evaluation reports for the program

### **Summary of IA Observations**

IA observations include (additional information and details are included in the full report):

- The GIES program began in 2004/05
- It costs between \$12,000 and \$50,000 a year to implement the GIES program (not including staff time and other indirect costs to manage the program)
- 62 gardens have been installed since the inception of the program
- 47 (76%) of the gardens are still in existence, although some of these have been abandoned or serve only as landscape features
- 15 (24%) have been removed for various reasons (construction, closure, other)
- 12 of the 47 gardens still in place, were awarded a \$1,000 “mini-grant” during this fiscal year (2017/18)
  - 5 of the 12, previously received a mini-grant in 2013/14
  - 4 of the 12, installed their original garden last year (2016/17) and were awarded a mini-grant the following year
- 35 (74%) of the 47 gardens still in existence, were physically observed by either IA or EA (those that did not receive a “mini-grant” this fiscal year).
- 6 (17%) of the 35 gardens observed, are not actively used by the school (drought tolerant landscape) and 11 (31%) get “minimal” use for education purposes
- IEUA’s EA and Planning staff spend significant time working to select the gardens, provide training to schools, coordinating the installation of gardens, providing curriculum material and reviewing budget and other information to ensure the program is implemented.

### **Summary of IA Recommendations**

IA provides the following recommendations for staff’s consideration. Additional background and detailed information about each observation and recommendation is provided in the attached report, External Affairs’ responses have also been incorporated throughout the report.

1. Reevaluate, update and document the goals and objectives for the GIES program to ensure that the program is aligned with the Agency’s vision, mission, goals and objectives. The Agency should consider whether the GIES program is the most effective means to meet Agency goals and evaluate whether the program ensures those goals are addressed.
2. Determine how best to coordinate the various responsibilities for the GIES program. Currently two different Agency departments are responsible for different functions to manage the program, one (Planning) manages the contract with Chino

Basin Water Conservation District and the related fund and budget for the program. The other (EA) manages the program implementation. Additionally, CBWCD acts as the outside contractor and completes the garden installations. The Agency should consider what efficiencies could be achieved, through either consolidating or at minimum, scheduling periodic progress meetings or workshops with all parties to discuss the program goals, achievement of those goals, lessons learned, things that need to be changed, and how best to provide greater authority and accountability to effectively manage the program.

3. Provide an annual written and oral report to the Board of Directors about the GIES program, that includes:
  - The program's goals and objectives and how those align with Agency goals,
  - how the program addressed and met those goals,
  - funding, costs/expenses, and resources,
  - participating school information,
  - school selection process,
  - number of students who potentially benefit and/or participate in the program
  - updated pictures showing the conditions of the gardens
  - program participant survey results, and
  - program assessment and recommendations
4. Continue to oversee and monitor installed gardens at schools, including:
  - conducting periodic follow-up site-visits and evaluations to ensure that both, the Agency's and the GIES program, goals and objectives are carried out,
  - providing school administrators with additional, well-defined guidelines, requirements and expectations,
  - ensuring gardens are used as intended and students participate in hands-on learning activities.
5. Employ a proactive method to remain in close contact and communication with the schools that have installed gardens, ideas include:
  - Ensuring adequate professional staffing for this function,
  - obtaining up-to-date contact information each fall for each school that has participated in the GIES program, including verifying the current Principal from a review of School District information and the school's website and confirming by making in-person, e-mail and/or telephonic contact with appropriate school personnel to ensure contact information is up to date,
  - providing and regularly updating a blog, newsletter or other on-going correspondence to ensure continuous and consistent communication with schools throughout the school year, and
  - creating and providing to all participating schools an up-to-date directory of past and current GIES school participants so that schools can network with one another and share resources and information.

6. Provide each school with permanent identifying information to post in the garden such as a sign or plaque that includes information about the garden's sponsors (IEUA, member agency and other) including the Agency's website and contact information so that future school administrators and garden visitors are aware of IEUA, including who and where to contact if the garden requires attention.
7. Develop a post-implementation evaluation of gardens after they have been in existence for an agreed upon amount of time. The purpose would be to gather feedback and information about the materials and equipment used for installing the garden and ensure this meets both the goals of the program and needs of the schools; or if anything needs to change. All parties involved in the installation, including Agency staff and most importantly the contractor, CBWCD should observe and discuss the following:
  - best materials for garden creation,
  - irrigation effectiveness and how to best demonstrate water-use efficiency,
  - timer systems effectiveness and access to electricity,
  - programmatic implications for the school's curriculum, and
  - proportion of the students with access or involvement with the garden.

In discussions with school principals and teachers who have participated in the GIES program, many are very happy and excited about their gardens. They indicated that they believe in and appreciate the GIES program and the opportunity; however, they do not always have the time or resources to make the gardens a high priority given the constraints of the regular school schedule, education requirements and sometimes the lack of support and/or funding. However, several gardens appear to be in great shape and are fully utilized for students to engage in hands-on learning activities.

Of the 62 gardens installed through the Garden in Every School® program, 15 have been removed, 6 consist of drought tolerant landscaping features and 11 receive only minimal use, leaving 30 (48%) that are still in existence and being actively used for educational purposes. Moving forward with the GIES program, staff should evaluate the program and consider implementing the recommendations made in this report, or determine alternate approaches to address the observations identified through this review.

### **External Affairs Department's Response**

The GIES program has many opportunities to continue to grow and evolve. The program acts as a valuable resource to students, educators, administrators and the community about water-use efficiency and provides a communication opportunity to discuss incorporating State educational standards and opens the door to other Agency-offered water education programs while making water-use efficiency connections.

It is important to consider the educational trends that include STEM (Science, Technology, Engineering and Math) and NGSS (Next Generation Science Standards) within the school curriculum. The GIES program and related curriculum development and training from Project WET (Water Education for Teachers) allows educators an opportunity to implement these standards into their everyday curriculum.

## **Internal Audit's Report of the Garden in Every School® Program**

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### **GIES Program Background**

At the request of the Audit Committee Chair and with direction from the General Manager, the Internal Audit Department (IA) collaborated with the External Affairs Department (EA) and the Planning and Environmental Resources Department (Planning) to perform an evaluation of the Garden in Every School® (GIES) program.

Since its inception in 2004 the GIES program has installed school gardens at 62 K-12 schools within IEUA's service area. Of the 62 gardens, 15 (24%) gardens have been removed. Of the 62, 12 (19%) gardens are current year recipients of mini-grants where the schools received additional funding (up to \$1,000) to spruce up their existing gardens and purchase tools and equipment ("mini-grants" are explained in more detail later in this report). Those 12 gardens were not physically evaluated as part of this review under the expectation that current garden work is underway. For this evaluation, IA participated in site visits and the assessment of the remaining 35 gardens (56%). This report, provides observations and recommendations based on the evaluation of the 35 gardens.

The GIES program is operated by EA, which is responsible for the Agency's community relations, public outreach and education programs. EA performs outreach, works closely with schools and provides information and an educational seminar and are responsible for monitoring the application and selection process for new gardens and mini-grants. Planning is responsible for determining available funding, monitoring expenses of the program and securing the contract and working closely with the Chino Basin Water Conservation District (CBWCD). CBWCD is contracted by IEUA for the design and installation of the school gardens, including building the vegetable beds, installing the irrigation system and controllers, planning the selected plants and trees and providing advice on the garden needs to the school. CBWCD bills IEUA for labor for installation of the gardens. The individual schools are responsible for the on-going success of their garden and using it for hands-on student educational activities.

### **Garden in Every School® Program Information**

IEUA implemented the GIES program in the 2004-2005 fiscal year with the selection of seven schools as the initial recipients of garden installations. Since then, a total of 62 gardens have been installed throughout the IEUA service area. The goal of the program is described in the purpose statement in the application form that prospective schools are provided and must complete. The purpose statement has remained consistent over the life of the program. The description states:

**The purpose of the GIES program is to educate school-age children and their families, school staff, and other community members about the efficient use of water through the establishment of thematic school gardens that feature climate appropriate plants and more efficient irrigation methods that are coordinated with provision state-aligned curriculum materials.**

Over the years, the program has evolved while maintaining the goal of promoting water conservation education programs. The program now cycles between years when new gardens are installed (generally up to four gardens a year) and years when mini-grants are provided to 12 to 14 schools to help improve existing gardens. Mini-grants were provided in the 2013/14 and 2017/18 program years. Mini-grants are additional funding, up to \$1,000 to help the school spruce up their existing garden and to purchase needed tools and supplies.

**Funding for the GIES program**

Funding for the GIES program is provided primarily from the Meter Equivalent Unit (MEU) charges paid by the Agency’s member water agencies (Chino, Chino Hills, Fontana Water Company, Monte Vista Water District, Ontario, Upland and Cucamonga Valley Water District). These funds are intended to support the Agency’s water fund and water conservation projects and provide the Agency between \$4 million and \$5 million in revenues annually. The funds target projects that include water conservation program efforts including the GIES program. IEUA staff discuss potential water conservation efforts with the member agencies annually including the funding for the GIES program. Total projects undertaken are based on an annual consensus between IEUA and its member agencies.

IEUA’s GIES program currently provides a \$4,500 grant to each school (up to 4 schools per fiscal year) for direct costs of plants, materials and supplies needed for the installation of the garden in the selected schools, all located within the Agency’s service area. The grant is used directly for the necessary, garden-related items at the school. In addition, the GIES program separately funds the labor costs for designing and installing the gardens through a contract between CBWCD and the Agency. These labor costs are paid through the GIES program in addition to the schools’ \$4,500 grant amount. The CBWCD contracting costs are billed to the Agency directly by CBWCD, according to agreed-upon contract terms.

In some years, instead of establishing new gardens, the Agency has offered support grants (mini-grants) of up to \$1,000 to existing school gardens to be used to rehabilitate and improve existing GIES gardens.

**Number of Gardens Installed in the recent Fiscal Years:  
 (IEUA costs funded from the Meter Equivalent Unit charges from member agencies)**

<b>Year</b>	<b>Grant</b>	<b>Total Schools</b>	<b>Total Given to Schools</b>
2011/12	Gardens (\$4,500 each)	4 Schools	\$18,000
2012/13	Gardens (\$4,500 each)	4 Schools	\$18,000
2013/14	Mini-Grants (\$1,000 each)	14 Schools	\$14,000
2014/15	Gardens (\$4,500 each)	3 Schools	\$13,500
2015/16	Gardens (\$4,500 each)	6 Schools	\$27,500
2016/17	Gardens (\$4,500 each)	4 Schools	\$18,000
2017/18	Mini-Grants (\$1,000 each)	12 Schools	\$12,000
2018/19	Gardens (\$4,500 each)	4 Schools (*in progress)	\$18,000

The design and labor for the gardens is provided by CBWCD through a subcontract with IEUA. The amounts shown below are totals paid to CBWCD also paid for out of the Meter Equivalent Unit charges. The budgeted contractual amount for these services in recent years has been as follows:

2016-2017:	\$ 27,470
2017-2018 (mini-grant year, no new gardens installed):	\$ 0
2018-2019:	\$ 33,000

Therefore, the total spent to install gardens in the most recent 3 fiscal years is:

Year	Activity	Grant Monies Given to Schools	CBWCD (Costs for Design & Installation Labor)	Total Direct Costs	Additional Indirect Costs not calculated or included as part of Total Direct Costs
2016/17	4 new garden installations \$4,500/ea	\$18,000	\$27,470	\$45,470	IEUA staff time: Supervise CBWCD contract, school application/selection process, dedication ceremony, Project WET implementation, etc.
2017/18	12 \$1,000/ea mini-grants	\$12,000	\$0	\$12,000	IERCF staff time for evaluation of mini-grant school sites. IEUA staff time: School mini-grant application/selection process, dedication ceremony, Project WET implementation, etc.
2018/19	4 new garden installations \$4,500/ea	\$18,000	\$33,000	\$51,000	IEUA staff time: Supervise CBWCD contract, school application/selection process, dedication ceremony, Project WET implementation, etc.

Although these dollar-amounts may not appear to be material or significant when compared to the Agency’s overall expenses, programs and budgeted activities, the question to be answered is whether the funds and staff time are being utilized in the most effective ways to meet the intended overall Agency goals.

**Process for Installing a Garden**

EA hosts an annual Project WET (Water Education for Teachers) workshop for educators in IEUA’s service area using educational curriculum developed by the Project WET Foundation. This full-day workshop, organized, hosted and taught by EA staff, provides hands-on water education training. Attendance is mandatory for any school applying for the installation of a new garden or a mini-grant to sustain existing gardens.

Each year various factors are taken into consideration to determine which type of grant to offer. These include interest shown in new gardens versus interest in maintenance of gardens and whether member agency representatives believe it is a good time to offer mini-grants versus new gardens.

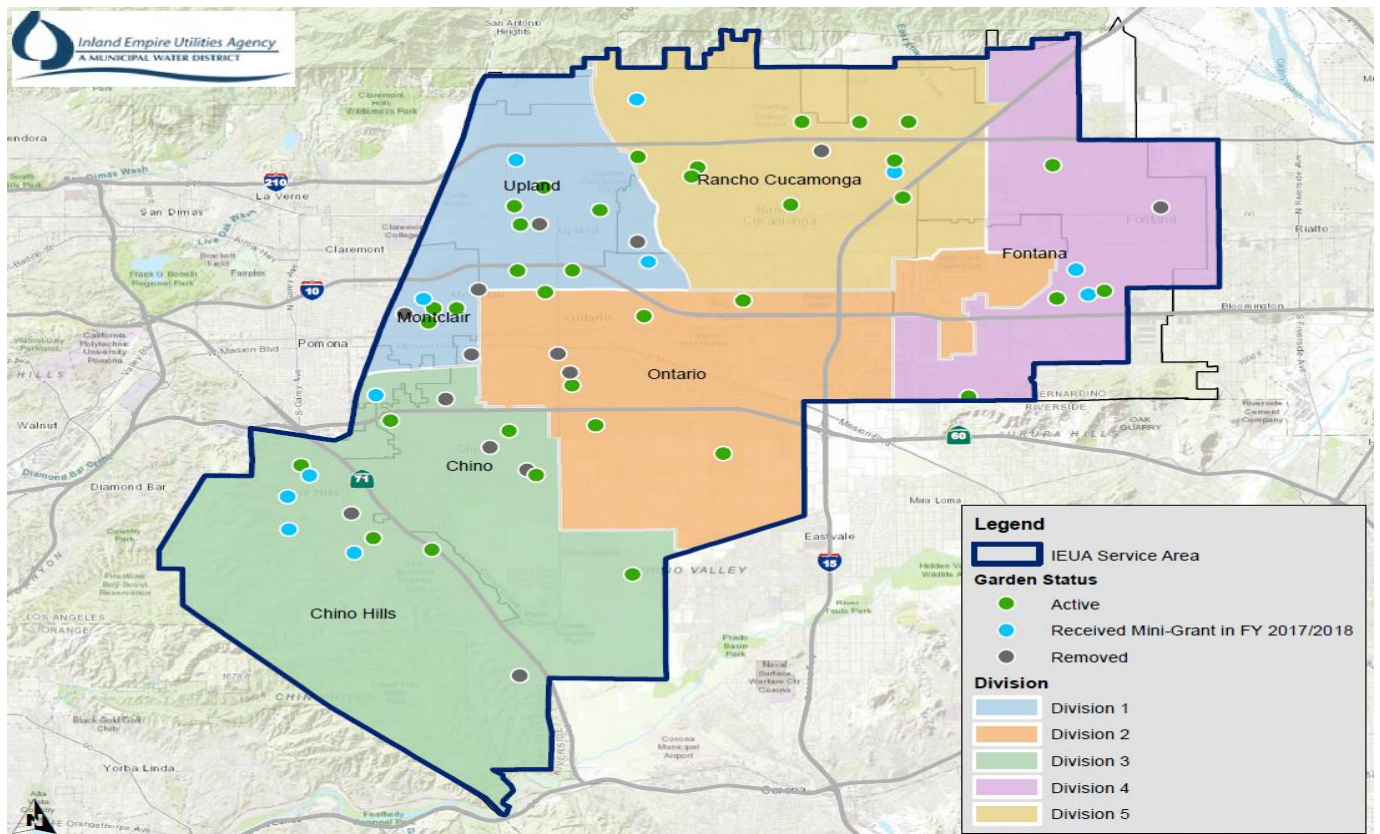
The actual planning, design and installation of the gardens is contracted to the Chino Basin Water Conservation District (CBWCD). CBWCD works with schools to plan and design their gardens during the spring after the schools have been selected. Schools are then responsible for clearing their sites and ensuring and providing access to water and



electricity. In the fall and winter the final design is agreed upon and installation of the garden is performed by CBWCD. This requires several days of manual labor on the part of CBWCD. Once the garden has been installed and the planting done, the school and IEUA host a dedication ceremony, generally in conjunction with an already existing school event, inviting IEUA Board members, local elected officials, school district administrators and community members. Once responsibility for the garden has been transferred to the school site, there is little to no additional follow-up by IEUA or CBWCD, although both organizations are available as a resource. The intention is for the school site to develop ownership of the garden and take responsibility for its ongoing success. Periodically, IEUA makes site visits/inspections to review the condition of the school gardens.

### **IEUA Service Area – GIES Map**

The map below that shows the location and the status of the 62 gardens, by Division.



## Internal Audit's Observations and Recommendations

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### **Observation 1: Program Goals and Objectives**

***The GIES program should be reevaluated to formally document the goals and objectives of the program. The goals should be measurable so that these can be evaluated periodically. The Agency should consider whether the GIES program is the most effective means to meet Agency goals and evaluate whether the program ensures those goals are addressed. Additionally, the Agency should ensure the goals of the program are aligned with the Agency's overall vision, mission, goals and objectives.***

Once measurable program goals and objectives are established and documented, the Agency can measure the program's effectiveness and its achievements. The Agency should evaluate the GIES program in the context of all outreach efforts that promote water-use efficiency and consider the most effective use of the Agency's and its member agencies' time and resources to achieve the overall program goals.

The introduction to the GIES grant application that schools read and complete states the program's purpose as:

*"The purpose of the GIES program is to educate school-age children and their families, school staff, and other community members about the efficient use of water through the establishment of thematic school gardens that feature climate appropriate plants and more efficient irrigation methods that are coordinated with provision state-aligned curriculum materials."*

Since its inception in 2004, the GIES program has installed 62 gardens in various schools in grades K-12 within IEUA's service area. The gardens are created and utilized as the school's administration determines best. For that reason, the gardens vary greatly from site to site; some are drought tolerant gardens and consist mainly of a landscaped area at the school, other gardens are fully utilized for vegetables, fruits and other flowers where hands-on activities are taught. Other gardens have been neglected and are not used for any purpose due to staff changes and turnover, a lack of staff time and school resources or a lack of knowledge, interest or commitment. Of the 62 gardens installed through the GIES program, 15 have been removed, 6 consist of drought tolerant landscaping features and 11 receive only minimal use, leaving 30 (48%) that are still in existence and being actively used for educational purposes.

CBWCD, the Agency's contractor responsible for the installation of gardens, indicated that they work to install any type of garden that the schools believe would be best to meet their requirements (with final discussion and approval from IEUA, who ensures gardens should be low water-use). The original garden design is a collaboration mostly between school administration and teachers with input from CBWCD. Some schools have installed gardens that provide learning opportunities about planting crops and the crop lifecycle rather than specifically promoting water-use efficiency. Also, the Agency's contractor, CBWCD generally prefers to use low-flow sprinkler heads in most school gardens rather

than teaching about water-use efficiency through drip irrigation out of concern that children digging around in the planting beds could damage drip irrigation systems.

The new *Next Generation Science Standards for California Public Schools, Kindergarten through Grade Twelve* (CA NGSS or NGSS) as required by California *Education Code* 60605.85 are currently in the implementation phase throughout the state. These new standards emphasize hands-on learning and exploration. This seems to have prompted GIES schools to take another look at their gardens and build curriculum using these standards. Thus, planting beds, butterfly/bee habitat gardens and other more interactive uses are being explored. The question is whether such use is consistent with the original purpose of the garden installation and the grant requirements.

During site visits and observations, IA noted instances not consistent with the original garden installation or the original requirements of the grant. The grant application and process do not provide for continuing involvement with IEUA that would ensure that schools continue to support the Agency's goals and/or the original purpose of the GIES:

- Of the original 62 gardens, 47 (76%) of the gardens are still in place and used in one way or another.
- 15 (24%) have been removed entirely for reasons such as making room for new construction or due to school closures, etc.
- Six (10% of 62 total) of the 47 gardens were purely displays of drought-tolerant landscaping with no need for active student involvement. In several others, a portion of the garden was set aside to demonstrate drought tolerant landscaping.
- 11 (18% of 62 total) of the 47 gardens receive only minimal use.
- At least six schools (10%) were not aware of IEUA or of IEUA's involvement in the establishment of their school garden.
- Irrigation system issues were common. At various sites where a timer was in use, no one knew how to operate it. At other sites, battery operated timers had been set aside because of the cost of regularly changing batteries. And, at other sites, the school district maintenance staff had either set all the irrigation areas on the same watering schedule or converted the watering schedule to the school-wide schedule. And finally, at yet other sites, all watering was being done manually, because there was no awareness of any prior automated system.
- All sites had issues with summer breaks. Solutions ranged from letting the garden die and starting fresh in the fall to having a dedicated teacher come to the school regularly on their own time to weed and water and everything in between. In two instances the on-site custodian would try to maintain the garden during the summer.

Gardens that were successful, fully operational and used by students for educational purposes, had either a committed and passionate teacher/administrator or an involved principal that ensured the use of the gardens for hands-on learning opportunities and enjoyment. If a garden had been abandoned, it required a new passionate teacher or principal to restore the abandoned garden. Restoration efforts included a creative teacher with the desire to refurbish the garden through grant writing to Home Depot and other sources, former students or relatives of teachers renovating a garden as their Eagle Scout project, and/or committed parent support or donations. Generally, passionate teachers, principals and/or their families also invested their own time and resources.

**Recommendation #1:**

***The goals and objectives for the GIES program should be reevaluated, updated and documented to ensure that the program aligns with the Agency's overall vision, mission, goals and objectives and/or the program's original purpose. Goals should be measurable and a formal evaluation of the program and whether the goals were achieved should be performed. The Agency should consider if the GIES program is the most effective means to meet those goals.***

**External Affairs' Response**

The GIES program is ever-evolving based on school curriculum, needs and trends. Building this relationship with schools is significantly important to IEUA and its partners. Through GIES, participating schools, school boards, and maintenance districts are introduced to water-use efficiency opportunities through new irrigation techniques, low water use plants, and curriculum.

The GIES program offers the school community an opportunity to learn about water-wise gardening, irrigation and curriculum. This program has a positive impact on participants and can reach not only school staff and students, but parents and the community. The program aligns with the Agency's values and vision and business goals and has been supported by member agencies since its inception in 2004. We recommend continuing the program and continuing to evolve the program based on trends and school needs.

**Observation 2: Effective Oversight & Accountability over all GIES Responsibilities**

***The Agency should evaluate and consider the various responsibilities for the GIES program. Currently two different Agency departments are responsible for different functions to manage the program, one (Planning) manages the contract with Chino Basin Water Conservation District and the related fund and budget for the program. The other (EA) manages the program implementation. Additionally, CBWCD acts as the outside contractor and completes the garden installations. The Agency should consider what efficiencies would be achieved through consolidation of responsibilities or at a minimum scheduling on-going meetings or workshops and ensure all team members share ideas and discuss the program goals, achievement of those goals, lessons learned, and how best to provide greater oversight and accountability to effectively manage all aspects of the GIES program.***

The Agency should determine how best to coordinate the various responsibilities for the GIES program. Currently two different Agency departments are responsible for different

functions to manage the program, one (Planning) manages the contract with Chino Basin Water Conservation District and the related fund and budget for the program. The other (EA) manages the program implementation. Additionally, CBWCD acts as the outside contractor and completes the garden installations. The Agency should consider what efficiencies could be achieved, through either consolidating or at minimum, scheduling periodic progress meetings or workshops with all parties to discuss the program goals, achievement of those goals, lessons learned, things that need to be changed, and how best to provide greater authority and accountability to effectively manage the program.

The process of installing school gardens includes input and work by two different IEUA departments (EA and Planning), as well as CBWCD, sometimes IERCF staff and school administration. IA recommends that all IEUA departments work together through meetings and on-going workshops to discuss the program, its goals and ideas or information about the program. With the decentralization of responsibilities, there is no single comprehensive oversight for whether the program is meeting its objectives and no overall analysis or accountability for the indirect costs incurred by the Agency.

**GIES Program Distribution of Responsibilities and Oversight**

IEUA External Affairs Department	IEUA Planning & Environmental Resources Department	Chino Basin Water Conservation District	Schools
<ul style="list-style-type: none"> <li>• Handle day-to-day operations of the GIES program, including:                             <ul style="list-style-type: none"> <li>○ Liaison for the GIES program</li> <li>○ Responsible for all GIES outreach and administrative activities</li> <li>○ Selection of recipients to receive a new garden or mini grant</li> <li>○ Coordinates and attends initial site evaluations with the school and CBWCD</li> <li>○ Review the supporting documentation and approve payment to grant recipients</li> <li>○ Purchase all materials needed for the garden <b>(No longer applicable after 2016/2017)</b></li> <li>○ Coordination of the dedication ceremony</li> </ul> </li> <li>• Provide additional curriculum and resources when available</li> <li>• Host the annual Project WET and GIES Workshop for new grants or mini-grants</li> <li>• Reports on the GIES program through the Community and Legislative Affairs Committee</li> <li>• Coordinate with Planning, schools and CBWCD</li> </ul>	<ul style="list-style-type: none"> <li>• Manages funds for the Water Conservation Fund and GIES program</li> <li>• Handles contractual agreements with CBWCD</li> <li>• Approves invoices and payments to CBWCD</li> <li>• Reports on the GIES program in the Regional Water Use Efficiency Programs Report</li> <li>• Review grant applications with External Affairs</li> <li>• Coordinates with External Affairs and CBWCD</li> </ul>	<ul style="list-style-type: none"> <li>• Design and construct school gardens, including:                             <ul style="list-style-type: none"> <li>○ Site visits and evaluations</li> <li>○ Landscape design plans</li> <li>○ Site and raised bed construction</li> <li>○ Installation of controller and irrigation system</li> <li>○ Planting Support</li> <li>○ Troubleshooting</li> <li>○ Equipment Rental, if needed <b>(effective 2018/2019)</b></li> </ul> </li> <li>• Evaluate initial sites for the upcoming school year with External Affairs (if applicable)</li> <li>• Coordinate with schools and IEUA</li> <li>• Procurement of all necessary materials and provide receipts, invoices, and any purchase documentation as required <b>(effective 2018/2019)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for Site prep, including:                             <ul style="list-style-type: none"> <li>○ Clean-up</li> <li>○ Grading</li> <li>○ Electrical and water connections</li> </ul> </li> <li><b>Effective 2018/2019:</b> <ul style="list-style-type: none"> <li>○ Turf or other plant removal</li> <li>○ Any issues pertaining to master irrigation valves</li> <li>○ Underground utilities in the project area have been located and marked prior to any construction</li> <li>○ Coordinate with CBWCD that site preparation has been completed</li> </ul> </li> <li>• Responsible for on-going maintenance of the garden</li> <li>• Utilize the garden for on-going learning activities</li> </ul>

In this past year, IERCF staff has also been utilized to perform the site inspections for the mini-grant program resulting in indirect costs being incurred there.

**Recommendation #2:**

***The Agency should evaluate and consider the various responsibilities for the GIES program. Currently two different Agency departments are responsible for different functions to manage the program, one (Planning) manages the contract with Chino Basin Water Conservation District and the related fund and budget for the program. The other (EA) manages the program implementation. Additionally, CBWCD acts as the outside contractor and completes the garden installations. The Agency should consider what efficiencies would be achieved through consolidation of responsibilities or at a minimum scheduling on-going meetings or workshops and ensure all team members share ideas and discuss the program goals, achievement of those goals, lessons learned, and how best to provide greater oversight and accountability to effectively manage all aspects of the GIES program.***

**External Affairs' Response**

Currently, multiple departments are responsible for different functions to manage the program, but lack of authority and accountability create challenges to effectively managing the Agency's efforts.

**Observation 3: Annual Written and Oral Report about the GIES Program**

***There is currently no regular reporting of the results of the GIES program. Agency staff should consider providing both, an annual written and oral report to the Board of Directors and Executive Management about the GIES program.***

An annual evaluation communicates the goals and objectives of the program, provides information on the progress or status of the gardens and compares to how the program goals were achieved/measured. It also provides a way to ensure that the program is administered consistently from year to year, evaluations and updates are made to the program, that IEUA has a process for obtaining and maintaining a complete list of schools in the service area and their contact information, that the school selection process is administered impartially and that IEUA's outreach efforts are consistent and complete.

Without a formal documented report, there is no information or record about the purpose and progress of the program, how it was administered, what schools were involved, the future goals of the program, how the program is measured against its program goals and additional details about how the program supports the overall Agency mission. This can lead to inconsistencies in the administration of the program and no documented measurement tool or feedback mechanism about where the program is headed in the future.

**Recommendation #3:**

***Staff should provide an annual written and oral report to the Board of Directors about the GIES program, that includes:***

- ***The program's goals and objectives and how those align with Agency goals***
- ***How the program addressed and met those goals***
- ***Funding, costs/expenses, and resources***
- ***Participating school information***
- ***Schools selection process***
- ***Number of students who potentially benefit and/or participate in the program***
- ***Updated pictures of garden conditions***
- ***Program participant survey results***
- ***Program assessment and recommendations***

**Observation 4: Continuing Involvement: Monitoring, Oversight and Follow-up**

***The Agency should determine an effective method for IEUA staff to continue to be involved with the gardens installed at each of the individual schools, including providing monitoring, oversight and follow-up site-visits/observations or evaluations to ensure the Agency's mission and goals and objectives of the GIES program are emphasized and carried out.***

IEUA should determine whether it would be effective to continue to be involved to some degree with the school administration regarding the gardens after they have been installed. The purpose would be to ensure the Agency's mission, goals and objectives, as well as the GIES program goals and objectives are emphasized and carried out by the schools and to ensure the gardens are maintained and used for student hands-on educational activities. Currently there is no contractual obligation that a school has with IEUA for executing the goals of the program. The original application signed by the school includes a list of "qualifications" to be awarded the funding for the garden; however, these are not considered "contractual requirements" that IEUA can enforce to ensure the gardens are maintained and utilized as intended by the program.

Agency staff should determine the intent and goals of the program and determine the Agency's role with regards to the garden after installation. Based in IA's evaluation of various documents and information, it is undetermined what IEUA's role should be after the garden has been installed at the school. However, there may be two different approaches that the Agency may want to consider/take or determine a different role. One approach may be that schools take the lead role and take ownership of their garden after installation and operate it as intended for their school's purpose without IEUA having to monitor, follow-up, evaluate or enforce the intended goals and objectives of the program that funded it. IEUA and/or CBWCD can provide additional advice and counsel if needed or asked for by the school, but the primary responsibility for the future success of the garden is dependent on the school and not on IEUA's on-going monitoring and oversight. The second approach may be that IEUA works actively as a facilitator and stays involved and conducts periodic site visits to follow-up, monitor, keep current with communication and outreach efforts with the school's administration to ensure the garden and the intended goals continue to be promoted and implemented. This would be strongly dependent on IEUA's on-going monitoring and oversight efforts.

IAs observations were that where school gardens continue to grow, and be cared for, there is adequate support from the school's administration to see the success of the garden due to a passionate staff member, support from parents and the overall culture of the school. However, IA noted that many of the school gardens take a similar path over several years. The initial interest and passion that was necessary to create a successful grant application and then garden installation lasts for a few years before some form of disruption occurs. Most often the teacher or principal that initially championed the garden retires or moves to another school and interest in the garden fades away. The school district or the school's local maintenance staff take over a minimal amount of maintenance and the garden remains dormant. At some point a new teacher or principal discovers the abandoned garden and develops an interest. By this time there is no remaining institutional memory of IEUA or CBWCD's involvement. Generally, the new teacher or other school administrator solicits some assistance from either parents, teachers or other community groups to help reestablish the garden. This leads to a renewal of interest in the garden and it once again becomes a focal point at the school.

Agency staff should determine what role it should take after the garden has been installed. If the Agency would like to see that all schools fully utilize the gardens to demonstrate the Agency's goals and priorities, it will require additional time and resources by Agency staff to assist in ensuring a strong education program is carried out and continuous monitoring and oversight is carried out.

**Recommendation #4:**

***Staff should continue to oversee and monitor gardens at schools, including:***

- ***conducting periodic follow-up site-visits and evaluations to ensure that both, the Agency's and the GIES program, goals and objectives are carried out,***
- ***providing school administrators with additional, well-defined guidelines, requirements and expectations,***
- ***ensuring gardens are used as intended and students participate in hands-on learning activities.***

**External Affairs' Response**

Every year the External Affairs team reaches out to all past GIES participants for whom EA still has contact information and invites them to attend the Project W.E.T. (Water Education for Teachers) Workshop, which provides water education curriculum to educators. This curriculum training workshop explains the curriculum guide – the guide correlates with State standards, STEM and Next Generation Science Standards. The workshop provides opportunities for educators that have participated in GIES to network with other participants while also providing a platform for questions and answers/problem-solving.



**Observation 5: On-going Communication and Connection**

***Agency staff should employ a proactive method to remaining in close contact and communication with the schools that have installed gardens.***

Although IEUA's education programs are intended to provide opportunities for schools through-out the Agency's service area, when some schools in the Agency's service area are not aware of these educational programs, this results in missed opportunities for the Agency's goals to be shared. Of the 35 schools visited by IA or EA at least six and most likely more, had no knowledge of IEUA and no recollection of IEUA's involvement in the initial establishment of their garden. These school representatives also were unaware of the other programs that IEUA offers for schools such as Earth Day, the Water Discovery fieldtrips and Project WET.

IA noted the following observations:

- At one school, there had been a complete turnover of those originally involved in the installation of the garden. The original sponsoring teacher had retired since the garden's installation in 2008/2009 school year and the principal was only in her 4th year at the campus. As a result, there was no institutional memory of the garden's founding, no awareness of IEUA's original involvement and the garden had fallen into disrepair. The new principal believed in the importance of school gardens and the school community engaged in a fundraising and grant-seeking effort that led to the refurbishment of the garden and its inclusion in the school's curriculum.
- At another site, the original teacher had passed away and the garden was not used for two years. A new teacher at the school revived the garden and it was dedicated in honor of the teacher that had passed, but the school staff had no recollection of IEUA's involvement.
- Another site's garden is situated in front of the school office and consists of foliage (some of which is drought tolerant) and a water feature. The school's custodian provides occasional maintenance of the water feature, but there is no awareness at the school of IEUA's original funding.
- Finally, another garden had been abandoned after a teacher had transferred. A young man who had attended the school helped revive the garden as part of his Boy Scout eagle project requirement and the school had a nice plaque documenting his efforts, but again, no recollection of IEUA's original involvement.

Due to high turnover, changes in staff and changes in school administration, teachers and principals; awareness of IEUA's programs is sometimes lost. The schools mentioned above and others in the service area did not participate in IEUA's mini-grant programs in 2013/2014 and 2017/2018 or in IEUA's other outreach/education programs. Although EA staff tries to reach out to all schools and school districts, teacher and school administrative turnover create an on-going obstacle. If the Agency would like to see that participating schools and teachers remain engaged and establish networks with other schools and teachers that participate in the program to share ideas and resources to ensure their

gardens thrive and continue, it will require additional time and resources from Agency staff to assist in ensuring a strong garden community network is up to date, informed and on-going among the various schools.

**Recommendation #5:**

***Agency staff should employ a proactive method to remaining in close contact and communication with the schools that have installed gardens, including:***

- ***Ensuring adequate professional staffing for this function,***
- ***Obtaining up-to-date contact information each fall for each school that has participated in the GIES program, including verifying the current Principal from a review of School District information and the school's website and confirming by making in-person, e-mail and/or telephonic contact with appropriate school personnel to ensure contact information is up to date,***
- ***Providing and regularly updating a blog, newsletter or other on-going correspondence to ensure continuous and consistent communication with schools throughout the school year.***
- ***Creating and providing to all participating schools an up-to-date directory of past and current GIES school participants so that schools can network with one another and share resources and information.***

**Recommendation #6:**

***IA also recommends that the Agency provide each school with permanent identifying information to post in the garden such as a sign or plaque that includes information about the garden's sponsors (IEUA, member agency and other) including the Agency's website and contact information so that future school administrators and garden visitors are aware of IEUA, including who and where to contact if the garden requires attention.***

**External Affairs' Response**

Over 1/3 of school educators leave every five years. External Affairs requires that a contingency plan be explained within the GIES application to address this staff turnover. The contract is always evolving based on school needs, trends, etc. Once the garden has been created a dedication is held where IEUA staff and Board members can speak on behalf of the Agency and a framed certificate is presented to the school with the IEUA logo. IEUA representation is on site during the program for pre-site evaluations, planning meetings and the dedication. IEUA is the main point of contact for the program.

EA believes there are opportunities to establish additional relationships and program commitments with our partner schools' PTAs/parent groups. IEUA can also establish a quarterly workshop that acts as a networking opportunity (like Project WET, etc.). Some of these workshops can be held in our GIES Demonstration Garden that is located by the Pipe Garden in the Chino Creek Wetlands and Educational Park. IEUA can enhance networking opportunities by providing a quarterly newsletter to schools featuring water-wise gardening tips and water saving tips.

Additionally, EA feels that there is an opportunity to grow the program and add to the outreach element. There is an opportunity to require weather-proof signage at the garden site featuring IEUA, which provides a resource to school administration and staff, especially with school staff turnover rates.

**Observation 6: Post-Implementation Evaluation**

***The Agency contracts with CBWCD for the design and installation of the GIES program gardens. CBWCD works with the school to ensure that the garden meets the needs of that school's program and efforts. Once the installation is complete, CBWCD has no further continuing involvement with the school.***

Since CBWCD does not perform any post-implementation evaluation, no changes are made to the way gardens are designed and installed. As previously noted, teachers and principals had shared a variety of concerns about their gardens with IA. These included:

- a. The wooden edges of the raised beds tend to deteriorate in three to four years. One teacher noted that recycled poly-wood lasts much longer and that the cost of refurbishing the beds on a regular basis is more than the school can afford. In at least four other gardens that had been refurbished for Eagle Scout projects or other parent/teacher efforts the schools had chosen to use recycled poly-wood due to its resiliency.
- b. The timers for the sprinklers are complicated and teachers do not know how to program them. In other instances, the school district has removed the timers and converted the garden irrigation systems to the same cycle used for the rest of the schools' plantings. And in other instances, all the different watering cycles programmed into the timer have been moved to just one watering cycle.
- c. The long summer break creates problems for the school gardens. Either the watering cycle continues and the garden is overgrown with weeds when school starts again in August, or the garden is not watered over the summer and everything has died when school starts.
- d. One school noted that the decomposed granite walkways in their school garden led to water puddling during rain storms, so the school district eventually paved over the pathways with concrete.
- e. Two or three schools mentioned that no anti-weed barrier was installed in the base of the garden and that the most difficult issue that they face is the constant need for weeding to make room for the plants that they want to have in the garden.

Without an evaluation one, two or three years after the garden has been installed, there is no opportunity to discover improvements and new ideas for future garden installations. A "lessons-learned" exercise with existing sites would provide insights.

**Recommendation #7:**

***Agency staff should develop a post-implementation evaluation of gardens after they have been in existence for an agreed upon amount of time. The purpose would be to gather feedback and information about the materials and equipment used for installing the garden and ensure these meet the school's needs or if anything needs to change. All parties involved in the installation, including Agency staff and most importantly the contractor, CBWCD should observe and discuss the following:***

- ***Best materials for garden creation***
- ***Irrigation effectiveness and how to best demonstrate water-use efficiency***
- ***Timer systems effectiveness and access to electricity***
- ***Programmatic implications for the school's curriculum***
- ***Proportion of the students with access or involvement with the garden***

**Garden In Every School® Participants by Year Since the Program Inception:**

Year	School	City	Mini-Grant 2017/2018	Mini-Grant 2013/2014	Removed
2004/2005	Alta Loma Elementary	Alta Loma		X	
2004/2005	Butterfield Ranch Elementary	Chino Hills			Removed
2004/2005	Edwin Rhodes Elementary	Chino			
2004/2005	Euclid Elementary	Ontario			Removed
2004/2005	Grant Elementary	Fontana			
2004/2005	Lehigh Elementary	Montclair		X	Removed
2004/2005	Magnolia Elementary	Upland			
2005/2006	Covote Canvon Elementary	Rancho Cucamonga			
2005/2006	Foothill Knolls Elementary	Upland			
2005/2006	Hidden Trails Elementary	Chino Hills	X	X	
2005/2006	Newman Elementary	Chino		X	
2005/2006	North Tamarind Elementary	Fontana		X	Removed
2005/2006	Ranch View Elementary	Ontario		X	
2006/2007	Buena Vista Arts-Integrated	Montclair			Removed
2006/2007	El Rancho Elementary	Chino			Removed
2006/2007	Gerald F. Litel Elementary	Chino Hills			Removed
2006/2007	Liberty Elementary	Ontario			
2006/2007	Poplar Elementary	Fontana			
2006/2007	Sycamore Elementary	Upland			
2006/2007	Victoria Groves Elementary	Alta Loma			
2007/2008	Chaparral Elementary	Chino Hills		X	
2007/2008	E.J. Marshall Elementary	Chino			Removed
2007/2008	Linda Vista Elementary	Ontario			Removed
2007/2008	Los Amigos Elementary	Rancho Cucamonga			Removed
2007/2008	Oak Park Elementary	Fontana		X	
2007/2008	Our Lady of Lourdes	Montclair			
2007/2008	Pepper Tree Elementary	Upland	X	X	
2008/2009	Glenmeade Elementary	Chino Hills			
2008/2009	Grapeland Elementary	Etiwanda	X	X	
2008/2009	Jasper Elementary	Alta Loma			
2008/2009	Perdew Elementary	Etiwanda		X	
2008/2009	The Ontario Center	Ontario			
2009/2010	Baldy View Elementary	Upland			
2009/2010	Floyd M Stork Elementary	Alta Loma	X	X	
2009/2010	Howard Cattle Elementary	Chino			Removed
2009/2010	Mariposa Elementary	Ontario			
2010/2011	Lyle S Briggs Fundamental	Chino	X	X	
2010/2011	Mission Elementary	Ontario			Removed
2010/2011	Montera Elementary	Montclair			
2010/2011	Oxford Preparatory Academy	Chino			Removed
2010/2011	Rancho Cucamonga High	Rancho Cucamonga		X	Removed
2011/2012	Los Osos High	Rancho Cucamonga			
2011/2012	Monte Vista Elementary	Montclair			
2011/2012	Redeemer Lutheran	Ontario			
2011/2012	Upland High	Upland			Removed
2012/2013	Edison Elementary	Ontario			
2012/2013	Etiwanda Intermediate	Etiwanda			
2012/2013	Sultana Elementary	Ontario			
2012/2013	Vina Danks Middle	Ontario			
2014/2015	Cal Aero Preserve Academy	Chino			
2014/2015	Country Springs Elementary	Chino Hills	X		
2014/2015	Cypress Elementary	Fontana			
2015/2016	Alicia Cortez Elementary	Chino			
2015/2016	Citrus Elementary	Fontana	X		
2015/2016	Eagle Canyon Elementary	Chino Hills			
2015/2016	Etiwanda Colony Elementary	Etiwanda			
2015/2016	John L. Golden Elementary	Etiwanda			
2015/2016	Truman Middle	Fontana	X		
2016/2017	Arroyo Elementary	Ontario	X		
2016/2017	Montclair High	Montclair	X		
2016/2017	Robert Townsend Junior High	Chino Hills	X		
2016/2017	Rolling Ridge Elementary	Chino Hills	X		
<b>TOTALS</b>	<b>62 schools</b>		<b>12</b>	<b>14</b>	<b>15</b>

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**35 Gardens Physically Observed/Evaluated for this Review:**

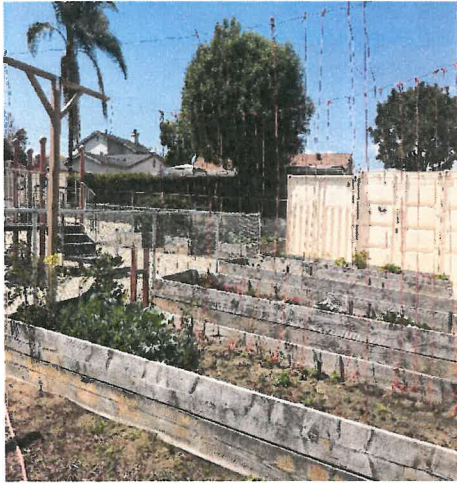
Program Year	School	City	Garden Type	Aware of IEUA	Other Support	Usage
2004/2005	Alta Loma Elementary	Alta Loma	Vegetable/Fruit	not asked	None	Minimal
2004/2005	Edwin Rhodes Elementary	Chino	Drought Tolerant	not asked	Parent/Teacher	Minimal
2004/2005	Grant Elementary	Fontana	Multiple	not asked	Grants/Sales	Curricular/Classroom
2004/2005	Magnolia Elementary	Upland	Multiple	not asked	Custodians	Minimal
2005/2006	Coyote Canyon Elementary	Rancho Cucamonga	Drought Tolerant	not asked	Maintenance	Minimal
2005/2006	Newman Elementary	Chino	Multiple	NO	Parent/Teacher	Minimal
2005/2006	Ranch View Elementary	Ontario	Drought Tolerant	not asked	Parent/Teacher	Minimal
2005/2006	Foothill Knolls Elementary	Upland	Vegetable/Fruit	not asked	Parent/Teacher	Weekly
2006/2007	Victoria Groves Elementary	Alta Loma	Drought Tolerant	NO	Custodian	None
2006/2007	Liberty Elementary	Ontario	Vegetable/Fruit	not asked	Grants	Elective/Class
2006/2007	Poplar Elementary	Fontana	Abandoned	not asked	None	None
2006/2007	Sycamore Elementary	Upland	Drought Tolerant	NO	None	None
2007/2008	Chaparral Elementary	Chino Hills	Vegetable/Fruit	not asked	Parent/Teacher	Weekly - one grade
2007/2008	Oak Park Elementary	Fontana	Multiple	YES	Parent/Teacher	Curricular/Classroom
2007/2008	Our Lady of Lourdes	Montclair	Abandoned	NO	None	None
2008/2009	Jasper Elementary	Alta Loma	Vegetable/Fruit	YES	Eagle Scout	Moderate
2008/2009	Glenmeade Elementary	Chino Hills	Vegetable/Fruit	NO	Eagle Scout	Garden Club
2008/2009	The Ontario Center	Ontario	Multiple	NO	Memorial Fund	Garden Club
2008/2009	Perdew Elementary	Etiwanda	Vegetable/Fruit	not asked	Student Donations	Minimal
2009/2010	Mariposa Elementary	Ontario	Vegetable/Fruit	not asked	Maintenance	Minimal
2009/2010	Baldy View Elementary	Upland	Drought Tolerant	not asked	Grants	Minimal
2010/2011	Montera Elementary	Montclair	Abandoned	NO	Teacher/Custodian	None
2011/2012	Los Osos High	Rancho Cucamonga	Vegetable/Fruit	not asked	Student Donations	Elective/Class
2011/2012	Monte Vista Elementary	Montclair	Vegetable/Fruit	YES	Parent/Teacher	Moderate
2011/2012	Redeemer Lutheran	Ontario	Vegetable/Fruit	NO	Parent Volunteer	Garden Club
2012/2013	Etiwanda Intermediate	Etiwanda	Multiple	not asked	Principal/Custodian	Elective/Class
2012/2013	Edison Elementary	Ontario	Vegetable/Fruit	NO	School support	Garden Club
2012/2013	Sultana Elementary	Ontario	Multiple	YES	School/Teacher	Curricular/Classroom
2012/2013	Vina Danks Middle	Ontario	Abandoned	Not asked	None	None
2014/2015	Cal Aero Preserve Academy	Chino	Drought Tolerant	YES	Parent/Teacher	Minimal
2014/2015	Cypress Elementary	Fontana	Multiple	YES	Teacher/Custodian	Curricular/Classroom
2015/2016	Alicia Cortez Elementary	Chino	Multiple	YES	Eagle Scout	Curricular/Classroom
2015/2016	Eagle Canyon Elementary	Chino Hills	Multiple	YES	Parent/Teacher	Minimal
2015/2016	Etiwanda Colony Elementary	Etiwanda	Multiple	YES	Girl Scouts/Lowe's	Moderate
2015/2016	John L. Golden Elementary	Etiwanda	Multiple	YES	Parent/Teacher	Garden Club

**Gardens removed since original installation:**

<b>Program Year</b>	<b>School</b>	<b>City</b>	<b>Reason Given</b>
2004/2005	Butterfield Ranch Elementary	Chino Hills	Unknown
2004/2005	Euclid Elementary	Ontario	Unknown
2004/2005	Lehigh Elementary	Montclair	Unknown
2005/2006	North Tamarind Elementary	Fontana	Unknown
2006/2007	Gerald F. Litel Elementary	Chino Hills	Unknown
2006/2007	Buena Vista Arts-Integrated	Montclair	Unknown
2006-2007	El Rancho Elementary	Chino	School Closed
2007/2008	E.J. Marshall Elementary	Chino	Unknown
2007/2008	Los Amigos Elementary	Rancho Cucamonga	School Remodeled
2007/2008	Linda Vista Elementary	Ontario	School Closed
2009/2010	Howard Cattle Elementary	Chino	Unknown
2010/2011	Rancho Cucamonga High	Rancho Cucamonga	School Remodeled
2010/2011	Mission Elementary	Ontario	Unknown
2010/2011	Oxford Preparatory Academy	Chino	School Closed
2011/2012	Upland High	Upland	Unknown

## Alicia Cortez Elementary School, Chino, CA

Year Garden Completed: 2015/2016 Inspection Completed by: Internal Audit & External Affairs



- 1) How are you using the garden?
  - Water-wise demonstration, grow vegetables/flowers and a butterfly garden
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Used for structured lessons and daily by students, includes a bench for reading
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, free mulch available - City of Chino, Teacher-provided plants, Parent Faculty Association provided greenhouse, and assistance from Scout Organizations – Two Eagle Scout Projects
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, won a prize for their project on how to conserve water at the Water Conservation Contest - Los Angeles County Fairgrounds. School would like to participate in IEUA's mini-grant to earn funding.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Assistance with permanent signage - to place on the fence to show the water cycle and conservation
- 6) Additional Comments:
  - Primary teacher was disappointed by the interactions with Chino Basin Water Conservation District. Examples provided relate to: design of the garden, material used for raised beds, and fencing/wire mesh lining was requested but not provided.
  - No fencing/wire mesh lining was provided, as a result the garden suffered gopher infestation that resulted in crops and flowers being destroyed.
  - Water Line broken & shut down – resulted in teacher having to water over spring break, along with additional watering by students.
  - Summer months – Teacher and her spouse commit their own time to overseeing and watering the garden to ensure it survives and ready for the next school year
  - Teacher provided cuttings and/or plants for the 2<sup>nd</sup> year of the garden, no other funding was available



## Alta Loma Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2004/2005    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Vegetables
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Not often
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, supported by teacher or teacher's budget
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Enlarge the garden, plant donations, and relocation of the garden to provide greater access to older-grade level students
- 6) Additional Comments:
  - School would like:
    - To add more to the garden, a compost bin, and if IEUA supplied plants for the garden every so often.
    - Still have the large trees from the original grant.

## Baldy View Elementary School, Upland, CA

Year Garden Completed: 2009/2010 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Education, reading garden, 6<sup>th</sup> grade learning. This is primarily an example of a drought tolerant garden
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 8 times per month
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, 48<sup>th</sup> LAC District Agricultural Association (DAA)
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, State grant
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Educational programs
- 6) Additional Comments:
  - Project WET was helpful
  - 5<sup>th</sup> graders recycle to provide the garden with money

## Cal Aero Preserve Academy, Chino, CA

Year Garden Completed: 2014/2015    Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Drought-tolerant and water-wise plants with a drip irrigation system.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Garden is not typically used for garden lessons in the traditional sense, but more as an example related to California native and drought-tolerant plants. Released butterflies here.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Parent Teacher Organization (PTO) is supportive. Principal may request the PTO for assistance to obtain benches. Parents with landscape experience may also provide their assistance.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - None, thus far. Initial grant provided for all the necessary resources to establish the garden. Plaque hangs in the school office.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - School is familiar with IEUA and Chino Basin Water Conservation District. Principal receives emails about IEUA's sponsored programs and events.
- 6) Additional Comments:
  - School administration is interested in establishing a 2<sup>nd</sup> garden in the matching landscape area on the other side of the office and plans to put different type of plantings, but no vegetables or fruits because of the critters that would be attracted.

# Chaparral Elementary School, Chino Hills, CA

Year Garden Completed: 2007/2008    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Vegetables, flowers, observe animals, and science
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1 per week, while other grades 1 per month
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Parent-Teacher Organization (PTO) for \$1,000 and volunteers
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, Home Depot grant
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Lessons on how to integrate the garden into the classroom
- 6) Additional Comments:
  - Benches would be nice, so the students can sit and draw

# Coyote Canyon Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2005/2006 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Meditation, class parties, and pictures; includes both drought tolerant and other plantings.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1 per month
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Maintenance Department helps.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Parent-Teacher Organization (PTO) would help if needed
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Donations – plants and benches
- 6) Additional Comments:
  - Would like to see certain areas with more plants and look more “tranquil”

## Cypress Elementary School, Fontana, CA

Year Garden Completed: 2014/2015      Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden Club and each grade level has a dedicated garden bed
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - As needed, based on individual teacher
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, custodial & maintenance staff tend to the garden. Financial support from school administration – materials/landscape equipment, teacher- provided plants. Parent Teacher Association (PTA) is not involved
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No additional funds. Teacher pursuing grant opportunities to purchase new plants.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Workshops – geared towards real life application of gardening
- 6) Additional Comments:
  - Dedication Ceremony was a huge school event, plaque located in the office, not near the garden.
  - Summer Months - custodial & maintenance staff will assist when school is out of session
  - GIES related activities – informed School about Project WET, Earth Day, Mini-Grant, compost
  - Drought-Tolerant Garden – located near the front entrance of the school (not from IEUA)

# Eagle Canyon Elementary School, Chino Hills, CA

Year Garden Completed: 2015/2016 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden Club – Parent Teacher Association(PTA) sponsored and work in the garden once per month
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Rarely, if ever. Occasionally, teacher will hold class in the garden, but the lesson is unrelated
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, PTA support. Sponsored murals, purchased plants and other garden related tools
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, arranged for discounts with Home Depot and Lowes.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - None, currently. Unaware of Project WET workshop but will consider it in the future.
- 6) Additional Comments:
  - School Administration is pleased with the support received for the garden project from IEUA.
  - No signage/plaque that indicates IEUA's involvement with the garden.
  - Recognition - Rocks were available for purchase to put family names in exchange for a donation to the garden

## Edison Elementary School, Ontario, CA

Year Garden Completed: 2012/2013    Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden Club – Students rotate out every 2-3 months.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - On-going; incorporated through Garden Club (i.e. plant vegetables of the season – fall, spring, herbs, and for salsa; butterfly garden, performed soil science tests, etc.).
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, School support – Administration, Teachers – assigned “Committee”, Groundskeeper and students. Financial support – School budget and donation received for stepping stones and bench. Parent Faculty Organization - not involved, focus on other school activities.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, applied for grant from the “Fertilizer Foundation”. Received donations for mulch.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Financial support – if there are budget cutbacks and child-size gloves
- 6) Additional Comments:
  - Summer months – No maintenance. Must re-start the garden new each school year
  - Current School Administration – never heard of IEUA and its Community Outreach programs & GIES activities (i.e., Project Wet, Earth Day, or the Composting Facility, etc.).
  - Harvest of the month – brings local and Central Valley farmers to the school to discuss farming, produce and other related topics



## Edwin Rhodes Elementary School, Chino, CA

Year Garden Completed: 2004/2005 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Have something nice to look at; primarily drought-tolerant and perennials.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1/week
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Parent Faculty Association
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Color run, step up (\$1,000/year)
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Advertisements of the grants/mini-grants ahead of time
- 6) Additional Comments:
  - The school pays a gardener to care for their garden and that's how it's so well taken care of.

# Etiwanda Colony Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2015/2016    Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden provides maintenance and planting activities for TK class and day care program. Other teachers use the Garden on an ad-hoc basis for outdoor lessons or occasional planting.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Garden used frequently, but activities are not garden-related. Occasionally, Teachers will teach class outside in the garden. Teachers & students enjoy spending time in the space.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, recipient of IEUA's Mini-Grant. Lowe's Discount – 50% off all purchases, Girls Scout Troop project, Parent support – Garden refurbishment, and Teacher financial support.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Noted above under # 3, other support is parent donations. Parent Teacher Association (PTA) is not involved but would be supportive if asked.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Any financial support is appreciated. Garden could also always use gardening gloves and tools for students to use.
- 6) Additional Comments:
  - Summer months – Overseeing teacher will be on campus on own time to ensure garden does not deteriorate.
  - Garden's Success: driven by Teacher's (and spouse) passion. Garden has been inspirational to the student body. Teacher is 4-5 years away from retirement and is confident that continuity of the garden will continue by other teachers in her absence.
  - Irrigation system – installed by Teacher's spouse

# Etiwanda Intermediate School, Rancho Cucamonga, CA

Year Garden Completed: 2012/2013    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Elective Class
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Every day (5 days per week)
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, principal, custodian, and teacher assistants
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Identifying the plants that already exist in the garden. Donations needed: supplies, soil, and seeds.
- 6) Additional Comments:
  - Would like to know about field trips and Project WET Workshop

## Foothill Knolls Elementary School, Upland, CA

Year Garden Completed: 2005/2006 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Education, plants, vegetables, teach responsibility, teach about littering and trash, education on loving nature, and education about drought issues
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1 per week
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Parent Teacher Association (PTA), Watchdog dads help build fences, principal helped donate a budget to build the garden beds
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Workshops on Compost, Turn Soil and Garden Refurbishment. Donations of garden tools/plants
- 6) Additional Comments:
  - "Harvest of the month" Club – local farmers bring fresh vegetables. Students learn about how the vegetable was harvested and what it tastes like. Meets once per month.

## Glenmeade Elementary School, Chino Hills, CA

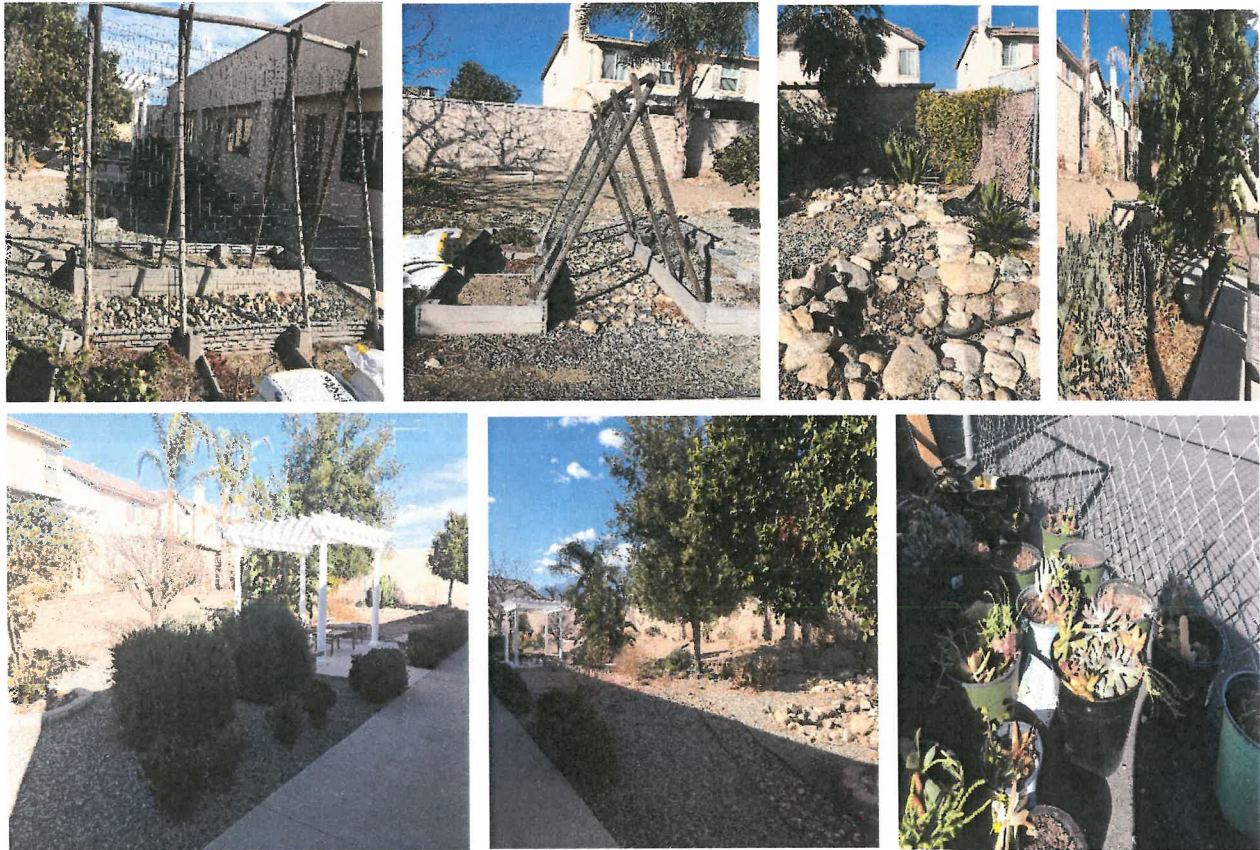
Year Garden Completed: 2008/2009 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden club, recently 4<sup>th</sup> graders planted one bed full of crops plants (tomato, herb, and other)
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Garden Rehabilitated in December 2017. Used as a teaching garden on a weekly basis for garden club.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Eagle Scout project generated donations of materials and resources and helped stock the garden shed with tools, gloves, and plastic pots. Teacher has applied for Fertilizer grant. Challenge is having on-going and continuous support.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, see response to # 3.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Participated in Project WET Workshop, Connection with other school garden teachers, Information about Earth Day and possible resources for plants and other garden needs.
- 6) Additional Comments:
  - School Administration had no idea who IEUA was and no knowledge that IEUA had been involved with the establishment of the garden. Unaware of IEUA's mini-grant program.
  - Garden refurbished through an Eagle Scout Project.

## Grant Elementary School, Fontana, CA

Year Garden Completed: 2004/2005 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Vegetables, succulents – grown and sold by the Garden Club for profit, greens, composting, education, sitting (to enjoy), and study in. Includes both drought tolerant features and planting beds.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Garden Club uses the garden daily, STEAM Academy uses the garden several days a week, Other classes use the garden up to 20 days a year.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, 3 teachers, Inland Empire Conservatory (Grant), and buy/sell succulents
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Inland Empire Conservatory (Grant), succulents have raised \$700+ and will raise another \$400+ in the future.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Lessons for students, how can we get/grow more food, more funds, more sales/farmer's market
- 6) Additional Comments:
  - Teacher open to participating in future grant programs. Replacements needed: control box for sprinkler system, drip irrigation hoses and water pump (for the water feature).

# Jasper Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2008/2009 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden has evolved over time. It has been a vegetable/salsa, plant, or bird/butterfly garden. This school year a Special Education class has been working in the garden.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Varies, depends on the teacher. Lessons are not taught in the garden, but students are encouraged to visit.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, School support from maintenance department, Eagle Scout Project, and parent support.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Due to the support of the District's Maintenance department, fundraising has not been needed.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - No support needed. School is grateful for IEUA's initial support to establish the garden.
- 6) Additional Comments:
  - Continuity – No turnover in School's Administration; therefore, they were aware of IEUA
  - Plaque – there is a plaque in the garden for the contributions by the Eagle Scout project, but no mention of IEUA's involvement.
  - Outreach – Consider additional outreach to inform the school about other IEUA programs.

# John L. Golden Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2015/2016 Inspection Completed by: Internal Audit  
1<sup>st</sup> Garden – IEUA Sponsored



2<sup>nd</sup> Garden – Separate garden - Sponsorship unknown



- 1) How are you using the garden?
  - Garden Club is overseen by 3 teachers and has 40 students that meet once a week for 30 minutes. It is located on the far side of the playground behind several storage containers and adjacent to a parking circle.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, the 3 teachers try to bring their classes on a regular basis, but visits to the garden have been sporadic because of all the academic standards they are trying to complete.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Parent Teacher Association (PTA) support provided funds for gravel/rocks that line the path of the garden. Teacher provided irrigation sprinklers and seeds.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Not yet, interested in participating in IEUA's program.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Assistance with timer and sprinklers since School District does not provide any landscape support. Information on irrigation improvement. Collaboration on implementation of the Next Generation Science Standards (NGSS).
- 6) Additional Comments:
  - Teacher would like to create more of an outdoor classroom area with additional benches and shade (using a canopy).
  - School has a separate garden and believed to have been established when the school was founded. Located next to classrooms and there is one raised bed for each grade level. No information is available on the installation of the 2<sup>nd</sup> garden.



# Liberty Elementary School, Ontario, CA

Year Garden Completed: 2006/2007 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Education, Vegetables, project-based learning (growing their own garden and at Open House Event they will be serving a dinner at their "restaurant" for their parents).
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - STEM 2-6 times per month and Saturday school every 1-3 months
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, grant, donations (garden tools and hose reel), and Montclair Water Basin gave free mulch and compost
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Lessons on composting, lessons for the kids to be involved in, and pruning lessons
- 6) Additional Comments:
  - Assistance needed for the following repairs: sprinklers (previously broken 3 times), water fixture (School District refused to fix it), drip irrigation system in place, but broken, and pump.
  - Donations for a border/fence, mulch, and plant donations (early in the school year).

# Los Osos High School, Rancho Cucamonga, CA

Year Garden Completed: 2011/2012    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Grow crops and herbs
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1 per day
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, students
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Garden Club, fundraisers, donations from students, and wish to have a farmer's market to sell their own crops that will eventually sustain the garden financially.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Donations: shed, raised beds, seating, better hoses and repair kits.
- 6) Additional Comments:
  - The students want to be able to make a large enough garden to sustain a homeless population.

# Magnolia Elementary School, Upland, CA

Year Garden Completed: 2004/2005 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Citrus day, peter rabbit garden is used to teach younger kids about growth and plants, Science, and garden-of-the-month club
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Non-applicable
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, Custodians. Previously, there was a garden club and kids would come once a week to tend and learn. The person that ran the garden is no longer with the school and they want to bring the program back and have it supported by the Parent Teacher Association (PTA).
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - No answer provided.
- 6) Additional Comments:
  - No answer provided.

## Mariposa Elementary School, Ontario, CA

Year Garden Completed: 2009/2010    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Vegetables
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 10 minutes, 1 per month
- 3) Do you have any support for the garden? If so, how is it supported?
  - No
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Plants, anything and everything
- 6) Additional Comments:
  - There is one teacher assigned per box, and
  - There was one box growing vegetables, but the other two had nothing in them

# Monte Vista Elementary School, Montclair, CA

Year Garden Completed: 2011/2012    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Science lessons, vegetables, harvest, sample vegetables, teach health lessons, science observation, animals, high needs kids utilize, and community garden days.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1 per week
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, community days – Parents come out on the weekend and help weed/care for the garden.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, IEUA mini-grant.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Lessons related to: How to be a better gardener, keeping the weeds away, pruning, and compost.
- 6) Additional Comments:
  - Participate in garden of the month club.

## Montera Elementary School, Montclair, CA

Year Garden Completed: 2010/2011 Inspection Completed by: External Affairs & Internal Audit



- 1) How are you using the garden?
  - Garden has been abandoned. Previously, garden was integral part of the school activities. With staff turnover, classroom logistics and no stipends; no one is available to manage the garden.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None; one teacher planted some flowers in one raised bed.
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, when the program was active the garden teacher would bring cuttings from her home garden for students to plant and care for.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - None
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - To support the garden, an interested teacher and financial support is needed. School does not have Parent Teacher Association (PTA) and the parent culture does not support of donations.
- 6) Additional Comments:
  - School Administration was unaware of IEUA's Mini-Grant program, Earth Day activities, or composting facility. Initial teacher attended Project WET workshop 8 years ago.
  - School became aware of the Garden in Every School Program through a reference.

# Newman Elementary School, Chino, CA

Year Garden Completed: 2005/2006 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - After-school program is currently using 4 of the raised beds and crops have been planted. There are 2 plastic composting bins (not in use) and a garden shed with tools, gloves and other equipment.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, only the after-school program. The goal is to obtain additional seating, so classes can come out and learn about the garden, along with independent reading time and other projects.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, school staff and parents plan and/or volunteer to refurbish the garden and drip irrigation system. Home Depot donated soil for 4 of the 13 raised beds in the garden. School District maintenance department assists with weed removal in the raised beds and along the pathway.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Home Depot provided free soil for 4 raised beds. Volunteer staff and parents restored the drip irrigation system. There are plans to request donations from the City of Chino for wood chips.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Drip irrigation system that is working and dependable. Lessons plans and professional development to incorporate the Next Generation Science Standards (NGSS) and connection to the garden.
- 6) Additional Comments:
  - School administration had no idea who IEUA was, no knowledge that IEUA had been involved with the initial establishment of the garden, and unaware of IEUA's sponsored programs.

## Oak Park Elementary School, Fontana, CA

Year Garden Completed: 2007/2008    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Poetry stimulus, insect trap project (science), Scientific observation, imitate microscope images, decompose pumpkin, monarch butterfly garden, sketch audubon style, and scavenger hunts (find certain plants).
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 4 times per week
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, volunteers and Parent Teacher Association (PTA)
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Yes, IEUA mini-grant and Kellogg company gave 40 bags of garden soil
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Donations: mulch, soil, drip irrigation repair kit, and plant name stakes galvanized metal.
- 6) Additional Comments:
  - School would like Lessons on "How to" use the garden for education.



## Our Lady of Lourdes School, Montclair, CA

Year Garden Completed: 2007/2008 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden is not being used at all, it is more of a nature area between the church and the school with a few drought tolerant plants and uses recycled water for irrigation.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, the groundskeeper maintains the garden as part of their maintenance area.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Unaware of the activities and resources that are available through IEUA (Project WET workshop, Earth Day activities, composting facility, etc.).
- 6) Additional Comments:
  - School Administration was unaware of who IEUA is but had knowledge of Chino Basin Water Conservation District.

## Perdew Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2008/2009    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Garden Club, cycles through different grade levels.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 4 per month
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Kona Ice fundraiser – sell during lunch and after school to support garden.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Lessons for Teachers and Kids on “How to plant”
- 6) Additional Comments:
  - School is removing the current tree and adding a mulberry in the center of the garden.

# Poplar Elementary School, Fontana, CA

Year Garden Completed: 2006/2007 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden is currently being used for planting and outdoor space for students to enjoy and read. There are 4 raised beds that have roses only, there are no vegetables or drought-tolerant plants. Also, there are 2-3 benches and a compost bin.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, garden-related lessons are not taught in the classroom. In the next school year, there are plans to incorporate the Next Generation Science Standards (NGSS) and use the garden and other materials (binoculars, child size gardening gloves and tools, microscopes, bird house/feeder, seeds, etc.) purchased by the school.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, school district landscape department. They set the timer to water the garden and perform on-going needed maintenance (such as removal of weeds, add soil, etc.)
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No, school is interested in applying for grants.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Expand the garden and add more beds, benches, trees, and shade with water misters. School would also like to add a butterfly garden.
- 6) Additional Comments:
  - Garden was recently re-done; Cal Poly Pomona students painted the murals as part of volunteer community service project.
  - School administration was unaware of who IEUA was but had heard of Chino Basin Water Conservation District.
  - For the summer months, the landscape department will take care of the garden needs.
  - Informed school administration of IEUA's sponsored programs (Earth Day, Project WET, composting facility)

## Ranch View Elementary School, Ontario, CA

Year Garden Completed: 2005/2006    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Kindergarten grows vegetables and Photo opportunities.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 2 – 3 times
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, parents volunteer to help with the garden. Also, church that is there on Sundays helps maintain the garden.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Not recently, but they have in the past.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Donations: native plant, soil, and mulch. Drought tolerant plant lecture.
- 6) Additional Comments:
  - Sprinklers do not always work.

## Redeemer Lutheran Christian School, Ontario, CA

Year Garden Completed: 2011/2012 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden is a “farming” style garden with the following: squash, lettuce, snap peas, etc. There are 12 raised beds, drip irrigation system, compost bin (not used) and a white picket fence.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, Garden Club is run by a parent volunteer, has 6-7 members, and meets once a week during the school day and after school. The school is appreciative of the parent volunteer.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, parent volunteer donated plants and their time to the Garden Club. No other donations have been received.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No, school administration is new and there are plans to close elementary and middle school programs and leave the preschool in operation.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Information on varying the plantings for the different raised beds, establishment of a butterfly garden, plants/gardens that are native to Southern California’s ecosystem, and deterrence of pests. Ideas and suggestions on how to keep the garden viable during the summer months, and signage about the purpose and nature of the plants.
- 6) Additional Comments:
  - School administration had no idea who IEUA was, no knowledge that IEUA had been involved with the initially establishment of the garden and unaware of IEUA’s sponsored programs such as mini-grant, Project WET, Earth Day, etc.
  - Plaque or other identifying information would be helpful to memorialize the IEUA assistance in establishment of the garden.

## Sultana Elementary School, Ontario, CA

Year Garden Completed: 2012/2013    Inspection Completed by: Internal Audit  
1<sup>st</sup> Garden – IEUA Sponsored



2<sup>nd</sup> Garden – Sponsored by a separate grant



- 1) How are you using the garden?
  - Drought-tolerant/sensory garden. IEUA started the garden design process but never finished; the school completed the garden.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Varies by month. Garden is used regularly by students to incorporate Next Generation Science Standards (NGSS) curriculum and located near the front entrance of the school, which has a lot of visibility.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, students from the University of La Verne spend a community service day each year at the school to improve the garden.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - Donation boxes at school events, parent workdays and teachers donated plants. School would like to create a farmer's market to sell plants, fruits, vegetables, etc.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Information on IEUA sponsored events: field trips, Earth Day activities, and Project WET.
- 6) Additional Comments:
  - School is aware of IEUA but has not been in contact with IEUA in several years.
  - School had their own dedication ceremony, there was never an event with IEUA and the school never received a plaque or recognition of any kind.
  - School has a separate vegetable and fruit garden with 8 planting beds from a separate grant.

## Sycamore Elementary School, Upland, CA

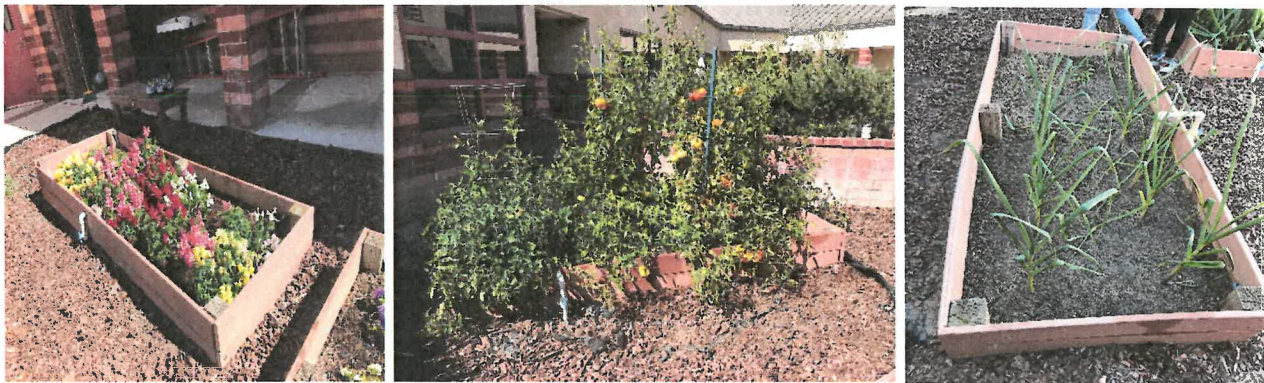
Year Garden Completed: 2006/2007    Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Not used. Garden has both drought tolerant features and raised planting beds.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - Zero (0)
- 3) Do you have any support for the garden? If so, how is it supported?
  - No
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Non-applicable
- 6) Additional Comments:
  - There has been a recent turnover in School Administration, who has limited knowledge on the garden's history. Garden is in good condition because of the type of plants currently planted. Overall, the garden has great potential with the two garden beds for vegetables.
  - Occasionally, Girl Scouts use the garden for educational purposes.

# The Ontario Center School, Ontario, CA

Year Garden Completed: 2008/2009 Inspection Completed by: Internal Audit



- 1) How are you using the garden?
  - Garden Club, it is managed by 1 teacher and currently has 22-23 members, grades 3 -5. The club meets after school once a week for 1 hour. The club has grown significantly since it was initially reestablished at the beginning of the school year.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, garden not used as part of curriculum. Garden Club does cover academic related topics such as photosynthesis, plant growth and life cycle.
- 3) Do you have any support for the garden? If so, how is it supported?
  - Yes, the memorial fund helped re-established the garden this school year. Teacher has used own funds to provide materials for the garden.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No fundraising has been done. Primary teacher unexpectedly passed away and garden was untended for 2 years. A new teacher has taken over the garden this school year.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Greater variety of plantings, larger space to expand the garden and room for a greenhouse, student supplies, outdoor spigot, automatic watering system, and summer garden program.
- 6) Additional Comments:
  - School Administration was unaware of who IEUA was, but they had some awareness of Chino Basin Water Conservation District. Teacher was aware of Project WET but unable to attend.
  - The next phase is to connect the garden to the curriculum.
  - "Harvest of the month" program brings local and central valley farmers to the schools to discuss and highlight the growth of seasonal crops and provide samples.



# Victoria Groves Elementary School, Rancho Cucamonga, CA

Year Garden Completed: 2006/2007 Inspection Completed by: Internal Audit

## 1<sup>st</sup> Garden – IEUA Sponsored



## 2<sup>nd</sup> Garden – Separate garden – Sponsorship unknown



- 1) How are you using the garden?
  - Garden is purely decorative, serves no educational function, and enhances School's landscaping. It contains a water feature with water running down a bed of rocks and a wire-mesh sculpture of the school mascot along with drought tolerant plantings.
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - None, garden is located at the front entrance of the school near the office. Parents and students see the garden when entering and leaving the campus.
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, only support required is on-going maintenance from the custodian. School District maintenance department will assist if required.
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No, not applicable.
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - School has another separate garden on the edge of the school's playground. It is in a large open area with 6 planting beds filled with crops and plants, several citrus trees, grape vines, and sprinklers. This garden is maintained by the Day Care program.
- 6) Additional Comments:
  - No information is available on the installation of the 2<sup>nd</sup> garden.
  - For the summer months, school district maintenance department or custodian will assist with weed removal.

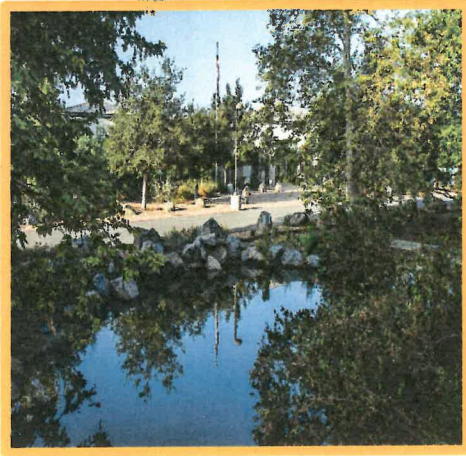
## Vina Danks Middle School, Ontario, CA

Year Garden Completed: 2012/2013 Inspection Completed by: External Affairs



- 1) How are you using the garden?
  - Not used/empty beds
- 2) In a typical month, how often are students in the garden or lessons taught in the classroom related to the garden?
  - 1-2 (classroom)
- 3) Do you have any support for the garden? If so, how is it supported?
  - No, not yet, hopefully Associated Student Body (ASB) or Advancement Via Individual Determination (AVID).
- 4) Have you done any fundraising or applied for additional grants to supplement the garden?
  - No
- 5) What kind of additional support (Workshops, etc.) would be useful to you?
  - Teach the school and teachers what they could use the gardens for.
- 6) Additional Comments:
  - School has a home economics class – recommended consider incorporation of the garden into this class
  - School Administration said to grow food that can be turned into salads, baked goods and sales.

# Garden in Every School® Program Evaluation



*The Garden in Every School® Program Evaluation/Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by having the Internal Audit Department provide an independent evaluation and provide recommendations for improving and management in achieving organizational goals.*

# Program Costs for prior 3 fiscal years

Year	Activity	Grant Monies Given to Schools	CBWCD (Costs for Design & Installation Labor)	Total Direct Costs	Additional Indirect Costs not calculated or included as part of Total Direct Costs
2016/17	4 new garden installations \$4,500/ea	\$18,000	\$27,470	\$45,470	IEUA staff time: Supervise CBWCD contract, school application/selection process, dedication ceremony, Project WET implementation, etc.
2017/18	12 mini-grants \$1,000/ea	\$12,000	\$0	\$12,000	IERCF staff time for evaluation of mini-grant school sites. IEUA staff time: School mini-grant application/selection process, dedication ceremony, Project WET implementation, etc.
2018/19	4 new garden installations \$4,500/ea	\$18,000	\$33,000	\$51,000	IEUA staff time: Supervise CBWCD contract, school application/selection process, dedication ceremony, Project WET implementation, etc.

# Garden in Every School® Program

- Program began: 2004/05
- 62 Gardens installed to date
- 47 (76%) of the gardens are still in existence
- 15 (24%) have been removed for various reasons
- 12 of the 47 in place, were awarded a \$1,000 “mini-grant” during this fiscal year
  - 5 of the 12, previously received a mini-grant in 2013/14
  - 4 of the 12, installed their original garden last year (2016/17)
- Of the 47 gardens still in existence, IA and/or External Affairs evaluated the 35 (74%) that did not receive a “mini-grant” this fiscal year.
- 6 (17%) of the 35 gardens observed, are not actively used by the school (drought tolerant landscape) and 11 (31%) get “minimal” use for education purposes, leaving 30 (48% of total 62 gardens) actively used for educational purposes.

# Garden in Every School<sup>®</sup> Program

## Attributes for a.....

### Successful Garden

- Gardens used for “educational purposes
- Motivated school administrator and overall school culture
- Creative/resourceful staff
- Garden Club and/or used for science curriculum
- Parent or Parent-Teacher Association (PTA) involvement and support
- Other groups of students or volunteers (Boys/Girls Scouts, colleges)
- Donations from parents or teachers of supplies
- Effective irrigation system in place
- Socio-Economic factors

### Un-Successful Garden

- Lack of knowledge or purpose for the garden
- Un-motivated school administration/ culture
- No support for maintenance, weeding and upkeep (hostility or indifference from District Maintenance Department)
- Not used for science curriculum
- No Parent and/or no Parent-Teacher Association involvement and support
- No irrigation system in place or not working
- Socio-Economic factors

# Garden in Every School® Program: Pictures

## Additional Pictures of Successful Gardens



Jasper Elementary School  
Rancho Cucamonga, CA



Etiwanda Colony Elementary School  
Rancho Cucamonga, CA



Foothill Knolls Elementary School



Santa Anita Elementary School



Santa Anita Elementary School

# Internal Audit Recommendations:

Number	Recommendations
1	<p>The Agency should reevaluate, update and document the goals and objectives for the GIES program to ensure that the program is aligned with the Agency's vision, mission, goals and objectives. The Agency should consider whether the GIES program is the most effective means to meet Agency goals and evaluate whether the program ensures those goals are addressed.</p>
2	<p>The Agency should determine how best to coordinate the various responsibilities for the GIES program. The Agency should consider what efficiencies could be achieved, through either consolidating or at minimum, scheduling periodic progress meetings or workshops with all parties to discuss the program goals, achievement of those goals, lessons learned, things that need to be changed, and how best to provide greater authority and accountability to effectively manage the program.</p>
3	<p>Agency staff should provide an annual written and oral report to the Board &amp; Executive Management about the GIES program.</p>
4	<p>Agency staff should continue to oversee and monitor gardens at schools, including: conducting periodic follow-up site-visits and evaluations, providing school administrators with additional, well-defined guidelines, requirements and expectations, and ensuring gardens are used as intended and students participate in hands-on learning activities.</p>



# Internal Audit Recommendations:

Number	Recommendations
5	Agency staff should employ a proactive method to remain in close contact and communication with the schools that have installed gardens
6	IEUA should provide each school with permanent identifying information to post in the garden such as a sign or plaque that includes information about the garden's sponsors (IEUA, member agency and other) including the Agency's website and contact information so that future school administrators and garden visitors are aware of IEUA, including who and where to contact if the garden requires attention.
7	IEUA staff should develop a post-implementation evaluation of gardens after they have been in existence for an agreed upon amount of time.

Audit Committee

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# **INFORMATION**

## **ITEM 2C**

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**Date:** June 20, 2018

**To:** The Honorable Board of Directors

**From:** Teresa Velarde, Manager of Internal Audit

**Committee:** Audit

06/11/18

**Manager Contact:** Teresa Velarde, Manager of Internal Audit

**Subject:** Report of Open Audit Recommendations

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**Executive Summary:**

The Internal Audit Department Charter and professional standards require the Internal Audit Department (IA) staff to follow-up on the status of open audit recommendations to determine if corrective action efforts have been made. The Charter also requires IA to annually provide, to the Audit Committee and the Board, a report listing all outstanding recommendations with action plans and expected resolution dates. Executive Management supports the implementation efforts of the recommendations previously provided or the development of alternate controls to address the original risks identified. Follow-up reviews will be scheduled according to the proposed Annual Audit Plan or sooner if requested by Management, the Audit Committee or Board.

As of the date of this report, there are 110 total open audit recommendations. IA plans to follow-up on 12 recommendations by June 2019. Currently, there are 31 recommendations related to the Regional Contract Review where the plan is to address those recommendations through renegotiation of the Regional Contract. The IA website accessible through the Agency's Intranet and available to all employees, provides the audit reports that have been issued. Attached is a detailed report showing the actual recommendations and the current status of each one.

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**Staff's Recommendation:**

This is an information item.

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**Budget Impact** *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

*Account/Project Name:*

N/A

**Fiscal Impact** *(explain if not budgeted):*

Only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee, a proposal with proposed fees will be submitted through the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Full account coding (internal AP purposes only):     -     -     -     Project No.:

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**Prior Board Action:**

In December 20, 2017, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Department Charters. Both Charters require the Manager of IA to complete and present the Annual Audit Plan.

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Report on Open Audit Recommendations is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices. IA's ongoing monitoring activities are to follow-up on the status of open audit recommendations to determine if the Agency has taken corrective action to address issues identified and to assist the Agency in achieving organizational goals.

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**Attachments:**

Attachment 1 - Report of Open Audit Recommendations

**Outstanding Audit Recommendations  
as of June 1, 2018**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Payroll Audit August 24, 2010	4	HR and FMD should work together to revise and update the Agency's Resolution No. 2005-2-9 and clarify which employees are required to sign a Confidentiality Agreement, based on their job duties and responsibilities, specifically those whose roles involve handling sensitive and confidential information. Having employees sign a Confidentiality Agreement reinforces that confidential and sensitive information is being handled, the Confidentiality Agreement also provides the expectations and consequences for sharing or misusing confidential information.	The Executive Management Team and HR continue to work closely with legal counsel to determine the need for updates to the Resolution and the practice requiring that certain employees sign the Confidentiality Agreement. Recently, the Board approved a Handbook; however, it does not cover the Confidentiality Agreement. IA will continue to follow-up on this item.
Intercompany Receivables - Watermaster August 30, 2011	1	Fiscal Management Department should establish procedures to prepare and submit invoices to Watermaster prior to the beginning of the quarter to allow payment by Watermaster before the quarter begins.	Finance and Accounting stated they will implement the billing requirement to bill in advance of each quarter as required by the contract. The Department requires additional time to implement this recommendation. IA will verify that this process has been implemented during follow-up evaluation planned for FY 2018/2019.
SCE Utility Payments Audit August 28, 2013	1	P&EC and Maintenance Management should work with the City of Chino and SCE to adequately transfer the electricity expense related to City of Chino property. The street lights in front of IEUA's HQ-A building have been identified by the Agency and SCE as the financial responsibility of the City of Chino. It was noted that over \$900.00 a year is paid for the street lights expense. P&EC and Maintenance previously identified this issue and had initiated discussions to transfer the account and related expense to the City of Chino. It is anticipated that by the end of calendar year 2013 this will be resolved.	In process. City of Chino has already initiated steps to resolve. Agency staff continues to work closely with the City of Chino to transfer the Utility account and related expense from IEUA to the City. IA will verify during FY 2018/19.
Accounts Payable Follow-Up Audit August 29, 2013	1	AFM and BIS need to work together to ensure users have appropriate access within SAP based on job responsibilities and remove/modify access privileges that are not necessary to reduce the risk of unauthorized transactions and SOD conflicts. All user access should be immediately removed when an employee resigns his/her position with the Agency.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	2	Access to the Vendor Master File (VMF) should only be granted to one Manager/Supervisor for AFM and CAP department with only one back up employee, if necessary, due to Segregation of Duties conflict. This is a standard best practice across many industries. Furthermore, we recommend access be removed from all other current and past employees.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	3	AFM department should institute controls to ensure payment of invoices by the due date.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	5	Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	6	AFM department should strengthen Vendor Master File procedures to establish uniformity in entering, altering and deleting vendors, and to provide guidelines for the maintenance of vendors, to ensure vendors are authorized, including the requirement that a supervisor or manager in FMD CAP approve additions, deletions, or changes to vendors.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	7	AFM department should ensure all new vendors provide a current, physical business address for the Vendor Master File. Additionally, AFM should establish a plan to update the master file for all active vendors that do not currently have a physical address on file.	IA to verify during follow-up evaluation.

**Outstanding Audit Recommendations  
as of June 1, 2018**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Accounts Payable Follow-Up Audit August 29, 2013	8	AFM department should work with BIS to test the features of SAP related to purging inactive vendors. Upon successful completion of the testing, AFM should identify vendors with no activity in the previous three to five years and deactivate or delete from the Vendor Master File as appropriate.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	9	AFM department should update all SOPs to reflect business process changes resulting from the implementation of the Agency's ERP SAP system.	IA to verify during follow-up evaluation.
Automobile Insurance Requirements March 3, 2014	1	IA recommends that the Contracts and Facilities Department: Take the lead to review and update and/or consolidate the existing Agency Policy A-14 "Vehicle Use Policies and Procedures" and A-36 "Automobile Insurability and Driver's License Requirements for Current and Prospective Employees." The policies should define and specify the requirements for employees to maintain personal automobile insurance, clarify the coverage limits and any other responsibilities and provisions. Ensure policy updates and requirements are communicated to all employees.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Automobile Insurance Requirements March 3, 2014	2	IA recommends that the Contracts and Facilities Department: Consider developing an appropriate "Acknowledgment Statement" form or other verification/certification document or process that outlines and verifies the requirements of the Agency's policies related to personal automobile insurance coverage and driver's license. Determine the need to require all employees sign the acknowledgement/verification document each year as a certification that the employee understands and accepts responsibilities when driving a personal or Agency vehicle.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Security Procedures March 3, 2014	1	CAP should take the lead to properly inventory and account for all assigned and unassigned gate transmitters. CAP should continuously work with department managers who request gate transmitters to monitor and revise access based on staff duties and responsibilities. CAP should promptly deactivate any improperly assigned/unassigned gate transmitters or for those employees and contractors that separate employment from the Agency.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Security Procedures March 3, 2014	2	CAP should ensure the appropriate signed gate transmitter form is maintained on file for all issued gate transmitters. Additionally, CAP should ensure the employee/contractor who is issued a gate transmitter understands the requirements of Agency Policy A-24 "Issuance and Inventorying of Gate Transmitters and Keys to Agency Facilities, Vehicles and/or Equipment." This can be done at the time the employee/contractor is issued the gate transmitter via the signed form and is provided a copy of the Agency policy.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Security Procedures March 3, 2014	3	IA recommends CAP staff inventory all Certificates of Title and work to locate or replace the missing titles for Agency vehicles. Additionally, CAP should implement and communicate the proper procedure to ensure that all Certificates of Title are promptly submitted to Records Management for filing and retention.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	1	Maintenance Department and HR Department should work together to develop and/or consolidate into one updated policy, the proper procedures for refueling Agency vehicles in order to streamline processes and clearly define the procedures for refueling Agency vehicles. Specifically, the policy should include: payment method, when to fuel, and specify if the requirement applies to assigned, pool or all vehicles. Take the lead to review and update and/or consolidate the existing Agency Policy A-14 "Vehicle Use Policies and Procedures" and A-36 "Automobile Insurability and Driver's License Requirements for Current and Prospective Employees." The policies should define and specify the requirements for employees to maintain personal automobile insurance, clarify the coverage limits and any other responsibilities and provisions. Ensure policy updates and requirements are communicated to all employees.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.

**Outstanding Audit Recommendations  
as of June 1, 2018**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Vehicle Inventory Procedures March 12, 2014	2	Maintenance Department should take the lead to update Agency Policy A-86, "Refueling Agency Vehicles" to include a clear definition of a "pool" versus an "assigned" vehicle and these definitions should be carried across all Agency policies that relate to Agency vehicle procedures.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	3	Maintenance Department should revise Agency Policy A-86 to specifically address how Voyager fuel cards for Agency "pool" vehicles will be issued and used by employees in order to establish separate guidelines for Agency "pool" vehicles.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	4	Maintenance Department should work with Business Information Systems (BIS) to develop an online/electronic "vehicle reservation and approval process." Approval should be obtained through the online/electronic process by either the employee's supervisor or manager. If the travel in an Agency "pool" vehicle will be for the calendar day only, online/electronic approval obtained from the employee's direct supervisor is sufficient. If travel utilizing an Agency "pool" vehicle will be overnight or several nights, or outside the service area, the employee should obtain online approval from the responsible manager and/or a member of Executive Management.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	5	Maintenance Department should work with the HR Department to incorporate mileage limitations and/or geographic boundaries (i.e. out-of-state) for Agency vehicles in updated Agency policies.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	6	Maintenance Department should evaluate the overall purpose of the VIF, to determine what elements are necessary to be reported by employees after use of an Agency vehicle, as well as determine what elements to hold the employee accountable for. Additionally, fewer incomplete forms may be returned if wording is revised to require only exceptions (an example might be: "Indicate damage to vehicle, if any").	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	7	Maintenance Department should determine the need to require that the VIF include an area for the employee's direct supervisor/manager to approve and sign, specifically acknowledging where the vehicle will be used and permitting the use of the Agency vehicle, prior to checking out the vehicle as an added control and accountability measure for the vehicle and the employee.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	8	Maintenance Department should ensure the recipients of the VIF (currently, the receptionists) no longer accept incomplete VIF forms from an employee upon the return of the vehicle to Headquarters. The receptionist should return the form to the employee and request they fill out the VIF completely before checking-in the vehicle.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	9	Maintenance Department should continue to work with "Voyager Fleet Systems" and U.S. Bank to review the card issuer's reporting capabilities, in order to develop the reports needed with the appropriate inputs (e.g. odometer readings, date of purchase, amount, credit card number, cardholder name, number of gallons purchased at point-of-sale) so that the Agency can perform a thorough analysis of fuel consumption monthly.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	10	Maintenance Department should develop one policy or update the existing policy (ies) to outline the proper procedures for washing Agency vehicles.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	11	Maintenance Department should perform a routine inventory as well as regular safety/maintenance inspections for all Agency vehicles at least annually and ensure necessary safety and emergency equipment is available and operational. Issues identified should be addressed and corrected timely. Specifically, items required for safety reasons such as fire extinguishers, insurance information and accident instructions, etc. should be current and readily available in the vehicle. Documented maintenance and safety inspection results should be retained and placed in the vehicle's file as evidence of examination.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Vehicle Inventory Procedures March 12, 2014	12	Maintenance Department should consider including a vehicle bumper sticker on all Agency vehicles that display the Agency's logo and a hotline or contact phone number where issues may be reported by any member of the public.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.

**Outstanding Audit Recommendations  
as of June 1, 2018**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Vehicle Inventory Procedures March 12, 2014	13	Periodic reconciliations for fleet (vehicles and equipment) should be performed by the Maintenance Department between any report(s) or system databases that are utilized by management to ensure accuracy when reporting fleet information and making decisions regarding fleet.	IA to verify during follow-up evaluation. IA to verify during the Fleet Management & Voyager Fuel Audit planned for FY 2018/19.
Regional Contract Review - Final Report December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Review and revise EDU formula	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<b>Connection Fees:</b> Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Connection Fees:</b> IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Connection Fees:</b> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<b>Connection Fees:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Connection Fees:</b> Two tier connection fees process that distinguishes between common features and unique features (i.e., a toilet always costs the same regardless of type of business)	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Connection Fees:</b> Update Exhibit J regularly to include new/evolving business types	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<b>Connection Fees:</b> Update & clarify Fixture Unit descriptions of Exhibit J regularly	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<b>Connection Fees:</b> Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<b>Connection Fees:</b> IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<b>Connection Fees:</b> Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	11	<b>Connection Fees:</b> IEUA develop fixture count expertise and provide regular/ongoing training for Contracting Agencies - Building Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	12	<b>Connection Fees:</b> Contracting Agency internal review of Connection Fees as part of preparing the Building Activity Report	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.



**Outstanding Audit Recommendations  
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<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Regional Contract Review - Final Report December 16, 2015	1	<b>Monthly Sewerage:</b> Collect monthly sewerage fees for the entire region through County's property tax roll	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Monthly Sewerage:</b> Evaluate methodology used for billing monthly sewerage fees (residential and commercial) and consider alternatives by water consumption, EDUs purchased or other methodology	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Monthly Sewerage:</b> Standardize monthly report to provide IEUA automated, itemized listings of non-residential monthly sewerage charges	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<b>Monthly Sewerage:</b> Establish contract for monthly sewerage payments from Contracting Agencies rather than IEUA issuing monthly invoices	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Monthly Sewerage:</b> IEUA exercise inspection, verification and recourse rights for under-collected/under-reported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Monthly Sewerage:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<b>Monthly Sewerage:</b> Update 1997 billing memorandum regularly for new business types to provide detailed definitions and descriptions	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<b>Monthly Sewerage:</b> Create a correlation between monthly sewerage fees and Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<b>Monthly Sewerage:</b> Add billing guidance for locations with multiple types of businesses serviced by a master meter	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<b>Monthly Sewerage:</b> Bill commercial businesses at least a minimum of one EDU per month	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<b>Public Service Facility:</b> Consider legal, political and financial impacts of excluding Public Service Facilities from Connection Fees and monthly sewerage charges.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Public Service Facility:</b> Consider legal, political and financial impacts of IEUA assuming responsibility for Connection Fees calculations, collections and CCRA accounts	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Public Service Facility:</b> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<b>Public Service Facility:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Public Service Facility:</b> Address difference between "Publicly Owned" vs. "Publicly Used"	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Public Service Facility:</b> Consider cross-departmental approach to the development review process as a regional model	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Outstanding Audit Recommendations  
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<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
IT Equipment August 21, 2012 (February 29, 2016 Follow-Up)	3	ISS implement appropriate tracking systems that include relevant information on IT purchases (i.e., serial numbers, etc.), are updated timely and are complete and accurate. ISS should establish procedures to enter, modify, and delete information in the tracking systems that address areas such as timeliness for updates, responsibilities for maintaining the systems, and the types of items included in the tracking system.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment November 14, 2012 (February 29, 2016 Follow-Up)	1	ISS should ensure that any services procured with P-cards are expressly authorized by the Manager of CAP, CFO, AGM, or GM prior to committing to services.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
Master Trade Contracts September 1, 2016	1	IA recommends that even in instances where a difference department has primary responsibility for the proposal evaluation process, CFS work with the end-user department to ensure the information is communicated to the Board of Directors accurately reflects the signed contract terms. Additionally, CFS should determine the need to request from the evaluating department the evaluation documentation, or a staff memo summarizing the selection process and have it available/filed.	Both CAP and CM stated they would begin steps to implement. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	2	IA recommends that CFS work with BIS to research built-in tools within SAP to implement automated controls necessary to ensure that spending on contracts and groups of contracts do not exceed Board approved limits and determine the cost benefit of implementing those monitoring tools.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	3	IA supports and encourages the initiative to fully implement the Agency's Enterprise Content Management System (ECMS) - Laserfiche. CFS should continue to work closely with BIS to implement the Agency's ECMS - Laserfiche to assist with the organization and centralizing of contract documents, facilitate research and access to information, streamline recordkeeping and eliminate multiple copies of the same documents.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	4	IA recommends that CFS enhance communications about the Agency's ethical procurement responsibilities and expectations to all Agency employees as well as Agency vendors and contractors to actively foster an ethical procurement environment. CFS should consider creating an ethics outreach plan and developing an approach with Agency Executive Management and Human Resources about reinforcing the "tone at the top" to actively remind employees and contractors/vendors about the Agency's ethical expectations including once again providing annual notifications of ethical guidelines to vendors and staff. Agency management may also want to incorporate references to the Agency's Ethics Hotline and Ethics Point "FAQs" in that communication.	CFS stated they would research the best approach and begin steps for implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	5	IA recommends CFS staff attend annual training related to ethics in their respective procurement activities.	CFS reported that all staff attended ethics training related to procurement activities shortly after the audit and will plan to attend training annually. IA to verify during a future follow-up evaluation.
Master Trade Contracts September 1, 2016	6	In addition to the cross-training that is already occurring, IA suggests that CFS consider the potential benefits of job rotation within the CFS department as a training and internal control technique with multiple benefits.	CFS stated that they would evaluate and determine the need for rotation since currently there have been various retirements and changes. IA to verify during a future follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	15	FMD should implement adequate controls to ensure that the stated capitalization policy for IT equipment is consistently followed to ensure that all items meeting the capitalization threshold are capitalized and to ensure that items not meeting the capitalization threshold are not capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	17	FMD should implement adequate controls to ensure that asset records established in SAP are accurate and complete, such as ensuring that all data fields in SAP are completed and ensuring that only those items allowed by the capitalization policy are capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.

**Outstanding Audit Recommendations  
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<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	19	FMD should return incorrect or incomplete Project Closure Authorization Forms to the Project Manager for proper completion. FMD should also provide training to Project Managers on the importance of proper completion and instructions on completing the form.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 5, 2016 Follow-Up)	22	FMD should document Standard Operating Procedures to address the functions of setting up capital assets such as procedures for completing the SAP asset information, compliance with stated capitalization thresholds, and processing of Project Closure Authorization Forms.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit December 5, 2016	1	FAD should take the lead to ensure a physical inventory and inspection of the Agency's IT fixed assets is completed on a periodic basis to verify existence, location, and working condition of assets.	FAD agrees with IA and the External Auditors recommendation and would evaluate implementation. IA to verify during a future follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit December 5, 2016	2	FAD should evaluate the Agency's current capitalization thresholds for IT equipment and determine if these need to be increased to ensure current practice meets policy and are consistent with current trends.	IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	1	Emergency projects are classified according to three levels. Level 3 emergencies are the least urgent and the work can be scheduled on a time-table set by the Agency. E&CM and CFS should consider establishing clear criteria that differentiate between a "Level 3" emergency procurement and routine minor construction and repairs procurements and/or determine and document whether the "Level 3" designation is necessary.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	2	To ensure that the Agency communicates sufficient information about emergency procurement activity, E&CM and CFS should consider developing and providing a comprehensive monthly update of emergency procurements for the Board. The information to consider could include the current month emergency procurement activity and a year-to-date total. It may also be useful to compare current year-to-date emergency procurement activity in dollars and numbers of task orders to prior years and to the total budget. Trends can be analyzed and comparisons can be made to ensure that the Agency's infrastructure is well maintained and emergency procurements are kept to a minimum.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts December 5, 2016	3	To ensure that contracts for Repairs and Minor Construction operate as intended, E&CM and CFS should consider developing specific criteria and/or additional guidance and definitions about what constitutes repairs or minor construction as compared to projects for prequalified contractors for contracts less than \$2 million. An additional control would be to consider establishing dollar maximums within the contract or the group of contractors to provide assurance that the contracts are being utilized as intended and spending is constrained.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	1	FAD should reinforce the guidelines of the petty cash fund, including custodian responsibilities and internal controls over petty cash accountability and record-keeping.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	2	FAD should consider updating the "Monthly Mileage Log and Reimbursement Request" to add a designated signature area for when the petty cash funds are utilized as a reimbursement for mileage.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	3	FAD should take the lead to communicate changes to the Petty Cash policy and forms immediately after implementation, to ensure employees understand the policy and utilize the updated forms.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	4	Petty cash custodians should only accept the appropriate forms and inform the requestor of the most appropriate procurement methods if the requestor's petty cash request does not conform to Agency policies.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	5	FAD should take the lead to review and determine if the Petty Cash limit of \$50 is adequate or if it should be updated (increased or decreased), or determine if there is a threshold that will require Executive Manager/General Manager authorization (i.e., anything over \$50).	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations  
as of June 1, 2018**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
2017 Petty Cash Audit & Follow-up Review June 5, 2017	6	Human Resources and FAD should work together to formally document or communicate the policy on the purchase and gifting of Gift Cards to ensure compliance with Federal requirements. The policy should be communicated to all Agency employees and be reminded periodically.	IA to verify during a future follow-up evaluation.
2017 Petty Cash Audit & Follow-up Review June 5, 2017	7	Human Resources and FAD should continue to work with the appropriate personnel in making revisions and updates to the following Agency policies that relate to cash reimbursements and controls: A-75 Employee Recognition Rewards Program, A-68 Meal Reimbursement and Unscheduled Overtime, and A-34 Vehicle Maintenance.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	1	<p><b><u>Turf Removal Programs</u></b> While many retail customers received rebates, the range of customers could have been broader. Outreach to customers about WUE measures is a primary responsibility of member agencies, but IEUA may want to consider establishing a forum to discuss the goals and results of WUE Programs. The purpose of the discussions would be to evaluate and develop approaches to help (or consider joint efforts to) publicize, target and follow-up with entities in IEUA's service area when WUE opportunities become available, and tailor outreach towards specific and/or different entities in the region that match those characteristics and/or potentially maintain a database of the region's entities by unique characteristics (schools, churches, large lots, etc.).</p>	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	2	<p>Finance and Accounting (FAD) staff have already taken several practical measures to review and reduce the amounts included in Work in Process (WIP) to ensure only capital projects are capitalized. FAD may want to consider prioritizing additional efforts to ensure that prior period adjustments are eliminated, such as:</p> <ul style="list-style-type: none"> <li>• Developing a cross-departmental team including representatives from Engineering, Operations and FAD to approve items in advance for capitalization in WIP.</li> <li>• Establishing an automated log, register or report to be reviewed regularly that tracks project codes, amounts and purpose for FAD review to ensure accurate accounting of projects.</li> <li>• Engaging an outside consultant, accounting firm or additional temporary resources to make a thorough examination of WIP to: <ul style="list-style-type: none"> <li>o Ensure only capital projects are included</li> <li>o Recommend policies and procedures for establishing projects to ensure only capital projects are capitalized</li> <li>o Develop written examples and guidelines of what constitutes a capital project and what constitutes an O &amp; M project.</li> </ul> </li> </ul>	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	3	The Agency may want to consider utilizing the Annual Water Use Efficiency Programs Report as an evaluative tool to compare actual results to those projected in the Regional WUE (five year) Business Plan. The Annual WUE Programs Report could discuss reasons for variances from that plan, document changes being made to the plan and describe progress on any other initiatives that expect to yield water savings in future years.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	4	IEUA may want to consider providing additional documentation, descriptions or informative information in the body of the Annual WUE Programs Report to describe the differing sources of information used to provide member agency information vs. statewide information or alternatively (and/or in addition), presenting both the summary and member agency information on the same basis.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	5	IEUA may want to consider expanding the "Highlights" commentary and providing subheadings and organizing the section to match the order of the Summary Charts to align the descriptions to the charts that follow.	IA to verify during a future follow-up evaluation.
Water Use Efficiency Programs Audit June 5, 2017	6	WR staff may want to consider developing a desk procedure or other document to guide the preparation of the Annual WUE Programs Report for internal staff to follow.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations  
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Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Contracts and Procurement Follow-Up August 30, 2017	1	CAP should review the SAP assigned roles and transaction codes and ensure that good internal controls are followed and no conflicts exist. IA recommends CAP consider eliminating or reducing the ability to Create PRs and Receive Goods, for CAP buyers in order to strengthen internal controls and further reduce risks.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	1	<p>IA recommends that HR consider evaluating alternatives to the manual files used to maintain employee information, for example:</p> <p>--Working with Business Information Systems (BIS) to develop or acquire a self-service portal for employees to make updates and changes to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or for adding or deleting a family member from their policies, and contribution amounts to various accounts.</p> <p>--The Agency is in the process of implementing ECMS. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.</p>	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	2	As part of the Agency's disaster preparedness effort, IA recommends that HR consider maintaining manual/hard-copy files in fire proof/water proof cabinets.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	3	FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	4	FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure all outstanding and reconciling items are researched, investigated and resolved.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	5	As part of moving into a paperless, automated environment, HR should take the lead to promote and encourage having all payments made more efficiently through direct deposits instead of manually writing paper checks.	IA to verify during a future follow-up evaluation.
Payroll Operations Audit August 30, 2017	6	Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards (for example, safeguards for potential payroll fraud, safeguarding personnel files and employee confidential information, etc.)	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	1	Agency Policy A-89, Procurement Card Program should be updated to reflect desired internal controls and provide clearer guidelines about the proper use of P-Cards. The policy should provide greater clarity about the purchases that are allowed or not allowed (i.e.: food, restaurant, meals, training registrations, membership payments, etc.). Additionally, the policy should provide instructions for users to follow when there are situations that are unusual and note the additional written justification that is necessary. Lastly, A-89, should direct users to seek CAP's guidance when there is a unique need, keeping the Agency's need in mind and ensuring adequate controls are maintained.	IA to verify during a future follow-up evaluation.

**Outstanding Audit Recommendations  
as of June 1, 2018**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Procurement Card Audit March 1, 2018	2	The P-Card Administrator role should be clarified in Policy A-89 and expanded to include greater oversight responsibilities to ensure compliance. The role should include duties to fully utilize the various on-line tools available through US Bank for reports, alerts, training and other controls for reviewing and monitoring activity. Additionally, the P-Card Administrator should provide assistance and give advice on the best procurement method and periodically review statements and identify purchases and transactions that are not aligned with policy and request additional information.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	3	CAP should update Department-specific SOP CAP-0012 to incorporate any changes in Agency Policy A-89 Procurement card Program, including any updates to the P-Card Administrator's role and responsibilities. Additionally, CAP should ensure the SOP CAP-0012 complies with the guidelines and format set forth in Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	4	CAP and FAD should work together to utilize any in-house tools and/or online tools available through US Bank to make the review, approval, reconciliation and upload of P-Card purchases more efficient with adequate oversight.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	5	CAP should take the lead to evaluate the benefits of consolidating credit card programs to utilize P-Cards for all purchases (other than fuel) and to eliminate other vendor-specific credit card or credit programs. At a minimum, the Agency should ensure all Credit Card programs are governed by an approved Agency Policy.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	6	CAP should maximize the use of the US Bank online tools for downloading/reviewing reports, creating blocks and alert notices for unusual activity, streamlining the approval, reconciliation and upload/posting process and training end users and approvers.	IA to verify during a future follow-up evaluation.
Procurement Card Audit March 1, 2018	7	FAD should evaluate ways for the Agency to increase and/or maximize any rebates received.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	1	As the Agency moves towards automated recordkeeping using Laserfiche and possibly other tools, the Agency should consider utilizing electronic signature technology and implementing digital approval documentation.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	2	FAD should finalize the new SOPs in the format provided in Agency Policy A-51.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	3	The Agency should evaluate the cost/benefit of obtaining additional coverage and consider a per occurrence limit greater than \$2 million to ensure the Agency has adequate insurance coverage to address the Agency's risk tolerance. In addition, to address potential uncovered losses, the Agency should consider reducing the threshold for a bank call-back to any amounts that exceed the Agency's chosen limit for Fraud Transfer Insurance.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	4	FAD should develop standards for documentation of transactions in SAP and a process of reviewing transactions once posted to ensure that the information in the accounting records is consistent and complete.	IA to verify during a future follow-up evaluation.
Wire Transfers Audit March 1, 2018	5	FAD should document or revise a separate SOP that describes the steps in the wire transfer process for investment transactions to provide guidelines for the processing of investment transactions.	IA to verify during a future follow-up evaluation.

Audit Committee

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**INFORMATION**  
**ITEM**  
**2D**

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**Date:** June 20, 2018

**To:** The Honorable Board of Directors

*Teresa Velarde*  
**From:** Teresa Velarde, Manager of Internal Audit

**Committee:** Audit

06/11/18

**Manager Contact:** Teresa Velarde, Manager of Internal Audit

**Subject:** Internal Audit Department Quarterly Status Report

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**Executive Summary:**

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit (IA) Department Quarterly Status Report includes a summary of significant internal and external audit activities for the reporting period. During this quarter, IA staff worked primarily on the Garden In Every School® program review and participated in over 20 school site visits to meet with school administrators and evaluate the gardens installed as part of the conservation fund. For this review, IA also met with various Agency staff and others. The report attached provides the results of our review.

The report attached highlights other on-going audit projects.

IA continues to assist with any requests for audit work, review of Agency policies and procedures and recommendations for internal controls as well as work on routine audit projects as specified in the Annual Audit Plan. The attached report provides details and information.

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**Staff's Recommendation:**

This is an information item.

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**Budget Impact** *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

*Account/Project Name:*

N/A

*Fiscal Impact (explain if not budgeted):*

N/A



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**Prior Board Action:**

On March 15, 2017, the Board of Directors reconfirmed the approved Audit Committee and the IA Department Charter

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**Environmental Determination:**

Not Applicable

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**Business Goal:**

The Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing IA's progress in providing independent evaluations and audit services of Agency financial and operational activities and making recommendations for improvement and to assist the Agency in achieving organizational goals.

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**Attachments:**

Attachment 1 - Internal Audit Department Status Report for June 2018

Attachment 2 - The Institute of Internal Auditors Position Paper: The Three Lines of Defense In Effective Risk Management and Control, January 2013

## Internal Audit Department Status Report for June 2018

### **Future Audit Committee Meetings:**

- Monday, September 10, 2018 – Regularly Scheduled Audit Committee Meeting
- Monday, December 10, 2018 – Regularly Scheduled Audit Committee Meeting
- Monday, March 11, 2019 – Regularly Scheduled Audit Committee Meeting

### **Projects Completed This Period**

**Project:** Garden in Every School® Program

**Status:** Completed

**Scope:**

The objectives of the evaluation were to determine whether the gardens are being used as intended, evaluate whether students are receiving value from the gardens and identify opportunities to improve the program.

Overall, IA found that most gardens originally installed are operating and to some degree used as intended. Staff invests resources and time to operate the program in a professional manner and encourage water conservation. The report is provided under a separate cover with details of the observations and recommendations. The complete report also provides detailed information and pictures showing the status and use of each of the gardens installed. IA provides 7 recommendations for Agency staff to consider for improving the effectiveness of the program. The recommendation most emphasized, is to consider reevaluating and documenting the GIES's program goals and objectives, align them with the Agency's vision, mission and goals, and determine if the program is the best use of Agency resources, and determine a method for measuring how the program is achieving those goals. The complete report is under separate cover.

**Project:** FY 2018/19 Annual Audit Plan

**Status:** Completed

**Scope:**

According to the Board-approved Internal Audit Department Charter, IA must annually submit a documented plan of proposed audit projects. The Annual Audit Plan is prepared in accordance with recommendations and best practices provided by the Institute of Internal Auditors. The Plan allows the Manager of IA to carry out the responsibilities of the Internal Audit function by prioritizing projects and allocating necessary resources. The audit projects proposed are selected and scheduled based on a risk assessment to target the areas of highest risk in terms of impact and likelihood. The audits, and resulting recommendations are intended to assist Agency management and the Board in achieving organizational goals and objectives.

For the FY 2018/19 Annual Audit Plan, IA proposes the following audit projects: Reserve Obligations and Interfund Transfers Audit, Fleet Management Audit and Fuel Card Audit along with follow-up evaluations to determine the status of outstanding recommendations. These projects are proposed for completion, along with on-going and required projects. The Annual Audit Plan is considered a flexible plan and projects can change or other projects with higher risks can take greater priority. Any changes or amendments to the Plan are communicated to the Audit Committee through the status report or other amendment document.

**Project:** Report on Outstanding Recommendations as of June 2018

**Status:** Completed - This is a status report – Recommendations that are outstanding; and where on-going monitoring/evaluation by IA is required or anticipated

**Scope:**

The Internal Audit Department Charter requires the Internal Audit Department (IA) to follow-up on the status of outstanding recommendations to determine if corrective actions have been implemented. The follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Executive Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

## Internal Audit Department Status Report for June 2018

The table below provides the number of recommendations outstanding as of this Status Report. Additional details about each of the outstanding recommendations is submitted with the Annual Audit Plan in June each year. This summary is to provide an update on the status of follow up audits and the related outstanding recommendations. This summary includes new recommendations provided during this calendar year as well as considers any recommendations cleared during the year. Follow up reviews are part of the on-going monitoring activities IA performs according to the requirements of the IAD Charter. Follow up review is typically scheduled between 12 – 18 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed not to be implemented, the recommendation remains outstanding or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is no longer applicable. Follow up review is also scheduled if requested sooner by the Audit Committee or Executive Management. The audited business units are encouraged to submit additional information for IA review if they determine the recommendation has been satisfied.

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Payroll Audit	August 24, 2010	1	Annually
Intercompany Receivables - Watermaster	August 30, 2011	1	FY2019
SCE Utility Payments	August 28, 2013	1	FY2019
Accounts Payable Follow-Up	August 29, 2013	9	FY2019
Automobile Insurance Requirements	March 3, 2014	2	FY2019
Vehicle Security Procedures	March 3, 2014	3	FY2019
Vehicle Inventory Procedures	March 12, 2014	13	FY2019
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY2020
Master Trade Contracts	September 1, 2016	6	FY2020
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY2020
Audit of Master Services Contracts	December 5, 2016	3	FY2020
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY2020
Water Use Efficiency Programs Audit	June 5, 2017	6	FY2020
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY2020
Payroll Operations Audit	August 30, 2017	6	FY2020
Procurement Card Audit	March 1, 2018	7	FY 2021
Wire Transfers Audit	March 1, 2018	5	FY 2021
<b>Total Outstanding Audit Recommendations</b>		<b>79</b>	
<b>Recommendations related to the Regional Contract Review</b> (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these items until the renegotiation has been finalized)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

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### ***Planned/Future/Additional Projects***

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**Project:** Reserves and Interfund Transfers Review

**Status:** Initial Research in Progress

**Scope:** To evaluate whether the Agency's Inter-Fund Transfers and Reserve Obligations and Balances comply with Agency policies and legal and regulatory requirements and whether they are documented appropriately and recorded accurately in the Agency's accounting records and financial statements.

Preliminary work began in March and was halted to perform the fieldwork and prepare the report for the Garden in Every School Program® Review. Fieldwork will resume in mid-June 2018. A final report is anticipated September 2018.

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## Internal Audit Department Status Report for June 2018

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### On-going Projects

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**Project:** FY 2017/18 Financial Audit by External Auditors & IA Quality Control Review of CAFR

**Status:** In Progress

**Scope:**

The CPA firm Lance, Soll and Lunghard, CPAs (LSL) are engaged by IEUA to complete the financial audit of the Agency's operations. IEUA's Fiscal Ordinance requires that a financial audit be completed by a CPA by December 31<sup>st</sup> (6 months after the close of the fiscal year).

LSL have been working closely with Agency staff to prepare for the FY 2018 Financial Audit. They were in-house conducting preliminary fieldwork during the last week of May 2018. They plan to return in September/October to complete fieldwork and finalize the audit. IA stays involved and has on-going communication and coordination with LSL and Accounting staff working directly with the auditors. As required by the IA Charter, IA performs a quality control review of the Comprehensive Annual Financial Report (CAFR) documents and financial documents prior to finalizing the audit and the CAFR for Board approval.

LSL will be attending the Audit Committee Meeting on June 11 and on December 10 to discuss the audit. This is the third year, LSL will perform the required financial audit. The current contract allows for two optional years. The optional years will be discussed during the September Audit Committee Meeting.

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**Project:** Management Requests

**Scope:**

Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IA Charter, the Annual Audit Plan, and best practices. The management request projects are short-term projects, typically lasting no more than 60 – 75 hours each where IAD determines it has the necessary staff, skills and resources to provide the requested assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation/review/analysis/assistance and the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following "Management Requests":

- Participated in Meetings related to the Network Security/Vulnerability Assessment, specifically, during this quarter IA worked closely with BIS and IT to determine, evaluate and rank the different types of Agency systems and data to evaluate the potential impact.
  - Continued to assist with policy language interpretation.
  - Participated in IT Security Committee
  - Participated in the Safety Committee and safety inspection of RP-5
  - Participated in the Agency's Earth Day Event.
- 

**Project:** Special Projects

**Scope:**

Perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and/or when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA and Audit Committee Charters, the Annual Audit Plan, and/or best practices.

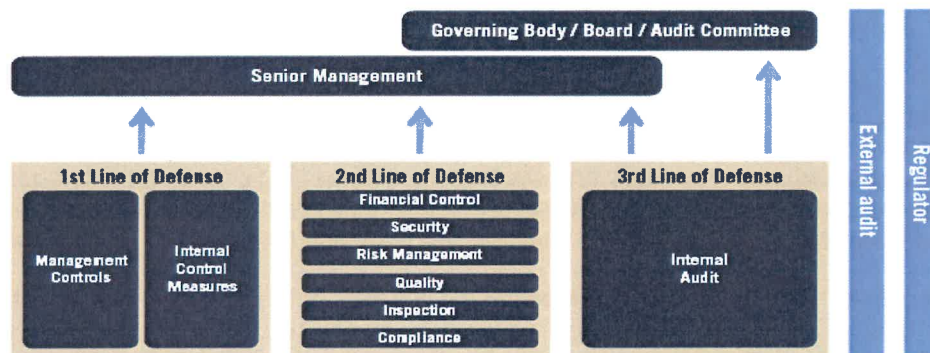
Special Projects can be short or long-term projects, typically requiring more than 80 hours of staff time and requiring setting aside or delaying work on scheduled audit projects. The scope of the review is not generally known and the work must be handled with the highest degree of confidentiality and care, as with all audit projects. Special Projects are usually considered highly confidential.

## Internal Audit Department Status Report for June 2018

### Current Trends in Internal Audit

For reference: The attached Institute of Internal Auditors' position paper is titled: *The Three Lines of Defense in Effective Risk Management and Control* (January 2013). This guidance provides an overview of a model to assist organizations with risk management and control processes. Best practices recommend that all organizations adopt the three lines of defense. Each line of defense should exist in some form and has its own role within the organization's governance framework. The model is described as:

### The Three Lines of Defense Model



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

The guidance emphasizes the importance of communication and coordination to ensure that the roles and duties are properly clarified and assigned among all parties involved in risk management and control systems. The roles of each group in the risk management process are:

FIRST LINE OF DEFENSE	SECOND LINE OF DEFENSE	THIRD LINE OF DEFENSE
<b>Risk Owners/Managers</b>	<b>Risk Control and Compliance</b>	<b>Risk Assurance</b>
<ul style="list-style-type: none"> <li>• operating management</li> </ul>	<ul style="list-style-type: none"> <li>• limited independence</li> <li>• reports primarily to management</li> </ul>	<ul style="list-style-type: none"> <li>• internal audit</li> <li>• greater independence</li> <li>• reports to governing body</li> </ul>

Specifically, the model discusses Internal Audit as the 3rd line of defense which provides the governing body, (through its "independence") with assurance on the effectiveness of governance, risk management and control. The level of assurance provided by Internal Audit is not available in the first or second lines of defense because those functions are by their nature primarily related to management. Additional reference information is in the full document attached. The IIA's position paper is provided for your review.

### Internal Audit Department Staffing:

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 2 Full-time Senior Internal Auditors

### Internal Audit Staff Professional Development Activities:

As required by the *International Standards for the Professional Practice of Internal Auditing*, and the IA Charter, auditors should continue to enhance their knowledge, skills, and other competencies through continuing professional development.

During the past quarter, IA staff has continued to stay abreast of industry developments through review of industry periodicals and participation in free IIA sponsored, on-line webinars. Two auditors attended LSL's financial updates seminar. The IA staff attended the local IIA Inland Empire Chapter All-day Fraud Seminar in March 2018 and Ethics training in May. One senior auditor attended training through CSMFO on Intermediate Governmental Accounting. All three IA members are preparing for the third exam of the 3-part Certified Internal Auditor (CIA) certification examination. The CIA is the only globally-recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor.

IIA Position Paper:

# THE THREE LINES OF DEFENSE IN EFFECTIVE RISK MANAGEMENT AND CONTROL

JANUARY 2013

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# IIA POSITION PAPER: THE THREE LINES OF DEFENSE IN EFFECTIVE RISK MANAGEMENT AND CONTROL

## INTRODUCTION

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In twenty-first century businesses, it's not uncommon to find diverse teams of internal auditors, enterprise risk management specialists, compliance officers, internal control specialists, quality inspectors, fraud investigators, and other risk and control professionals working together to help their organizations manage risk. Each of these specialties has a unique perspective and specific skills that can be invaluable to the organizations they serve, but because duties related to risk management and control are increasingly being split across multiple departments and divisions, duties must be coordinated carefully to assure that risk and control processes operate as intended.

It's not enough that the various risk and control functions exist — the challenge is to assign specific roles and to coordinate effectively and efficiently among these groups so that there are neither “gaps” in controls nor unnecessary duplications of coverage. Clear responsibilities must be defined so that each group of risk and control professionals understands the boundaries of their responsibilities and how their positions fit into the organization's overall risk and control structure.

The stakes are high. Without a cohesive, coordinated approach, limited risk and control resources may not be deployed effectively, and significant risks may not be identified or managed appropriately. In the worst cases, communications among the various risk and control groups may devolve to little more than an ongoing debate about whose job it is to accomplish specific tasks.

The problem can exist at any organization, regardless of whether a formal enterprise risk management framework is used. Although risk management frameworks can effectively identify the types of risks that modern businesses must control, these frameworks are largely silent about how specific duties should be assigned and coordinated within the organization.

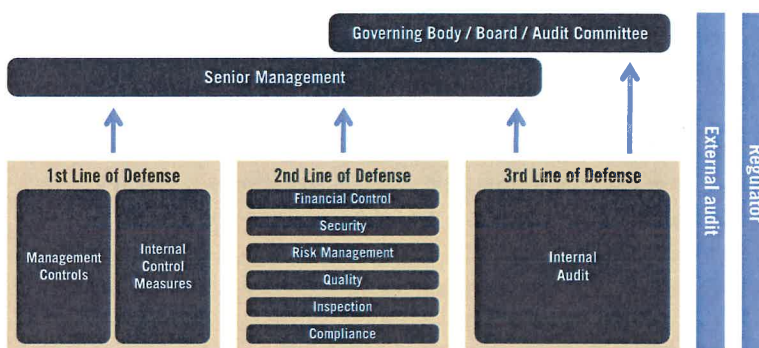


Fortunately, best practices are emerging that can help organizations delegate and coordinate essential risk management duties with a systematic approach. The Three Lines of Defense model provides a simple and effective way to enhance communications on risk management and control by clarifying essential roles and duties. It provides a fresh look at operations, helping to assure the ongoing success of risk management initiatives, and it is appropriate for any organization — regardless of size or complexity. Even in organizations where a formal risk management framework or system does not exist, the Three Lines of Defense model can enhance clarity regarding risks and controls and help improve the effectiveness of risk management systems.

## BEFORE THE THREE LINES: RISK MANAGEMENT OVERSIGHT AND STRATEGY-SETTING

In the Three Lines of Defense model, management control is the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance is the third. Each of these three “lines” plays a distinct role within the organization’s wider governance framework.

### The Three Lines of Defense Model



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

Although neither governing bodies nor senior management are considered to be among the three “lines” in this model, no discussion of risk management systems could be complete without first considering the essential roles of both governing bodies (i.e., boards of directors or equivalent bodies) and senior management. Governing bodies and senior management are the primary stakeholders served by the “lines,” and they are the parties best positioned to help ensure that the Three Lines of Defense model is reflected in the organization’s risk management and control processes.

Senior management and governing bodies collectively have responsibility and accountability for setting the organization's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives. The Three Lines of Defense model is best implemented with the active support and guidance of the organization's governing body and senior management.

## THE FIRST LINE OF DEFENSE: OPERATIONAL MANAGEMENT

The Three Lines of Defense model distinguishes among three groups (or lines) involved in effective risk management:

- **Functions that own and manage risks.**
- **Functions that oversee risks.**
- **Functions that provide independent assurance.**

As the first line of defense, operational managers own and manage risks. They also are responsible for implementing corrective actions to address process and control deficiencies.

Operational management is responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. Operational management identifies, assesses, controls, and mitigates risks, guiding the development and implementation of internal policies and procedures and ensuring that activities are consistent with goals and objectives. Through a cascading responsibility structure, mid-level managers design and implement detailed procedures that serve as controls and supervise execution of those procedures by their employees.

Operational management naturally serves as the first line of defense because controls are designed into systems and processes under their guidance of operational management. There should be adequate managerial and supervisory controls in place to ensure compliance and to highlight control breakdown, inadequate processes, and unexpected events.

## THE SECOND LINE OF DEFENSE: RISK MANAGEMENT AND COMPLIANCE FUNCTIONS

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In a perfect world, perhaps only one line of defense would be needed to assure effective risk management. In the real world, however, a single line of defense often can prove inadequate. Management establishes various risk management and compliance functions to help build and/or monitor the first line-of-defense controls. The specific functions will vary by organization and industry, but typical functions in this second line of defense include:

- A risk management function (and/or committee) that facilitates and monitors the implementation of effective risk management practices by operational management and assists risk owners in defining the target risk exposure and reporting adequate risk-related information throughout the organization.
- A compliance function to monitor various specific risks such as noncompliance with applicable laws and regulations. In this capacity, the separate function reports directly to senior management, and in some business sectors, directly to the governing body. Multiple compliance functions often exist in a single organization, with responsibility for specific types of compliance monitoring, such as health and safety, supply chain, environmental, or quality monitoring.
- A controllership function that monitors financial risks and financial reporting issues.

Management establishes these functions to ensure the first line of defense is properly designed, in place, and operating as intended. Each of these functions has some degree of independence from the first line of defense, but they are by nature management functions. As management functions, they may intervene directly in modifying and developing the internal control and risk systems. Therefore, the second line of defense serves a vital purpose but cannot offer truly independent analyses to governing bodies regarding risk management and internal controls.

The responsibilities of these functions vary on their specific nature, but can include:

- **Supporting management policies, defining roles and responsibilities, and setting goals for implementation.**
- **Providing risk management frameworks.**
- **Identifying known and emerging issues.**
- **Identifying shifts in the organization's implicit risk appetite.**
- **Assisting management in developing processes and controls to manage risks and issues.**

- ❑ **Providing guidance and training on risk management processes.**
- ❑ **Facilitating and monitoring implementation of effective risk management practices by operational management.**
- ❑ **Alerting operational management to emerging issues and changing regulatory and risk scenarios.**
- ❑ **Monitoring the adequacy and effectiveness of internal control, accuracy and completeness of reporting, compliance with laws and regulations, and timely remediation of deficiencies.**

### **THE THIRD LINE OF DEFENSE: INTERNAL AUDIT**

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Internal auditors provide the governing body and senior management with comprehensive assurance based on the highest level of independence and objectivity within the organization. This high level of independence is not available in the second line of defense. Internal audit provides assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the first and second lines of defense achieve risk management and control objectives. The scope of this assurance, which is reported to senior management and to the governing body, usually covers:

- A broad range of objectives, including efficiency and effectiveness of operations; safeguarding of assets; reliability and integrity of reporting processes; and compliance with laws, regulations, policies, procedures, and contracts.
- All elements of the risk management and internal control framework, which includes: internal control environment; all elements of an organization's risk management framework (i.e., risk identification, risk assessment, and response); information and communication; and monitoring.
- The overall entity, divisions, subsidiaries, operating units, and functions — including business processes, such as sales, production, marketing, safety, customer functions, and operations — as well as supporting functions (e.g., revenue and expenditure accounting, human resources, purchasing, payroll, budgeting, infrastructure and asset management, inventory, and information technology).

Establishing a professional internal audit activity should be a governance requirement for all organizations. This is not only important for larger and medium-sized organizations but also may be equally important for smaller entities, as they may face equally complex environments with a less formal, robust organizational structure to ensure the effectiveness of its governance and risk management processes.

Establishing a professional internal audit activity should be a governance requirement for all organizations. This is not only important for larger and medium-sized organizations but also may be equally important for smaller entities, as they may face equally complex environments with a less formal, robust organizational structure to ensure the effectiveness of its governance and risk management processes.

Internal audit actively contributes to effective organizational governance providing certain conditions — fostering its independence and professionalism — are met. Best practice is to establish and maintain an independent, adequately, and competently staffed internal audit function, which includes:

- ❑ **Acting in accordance with recognized international standards for the practice of internal auditing.**
- ❑ **Reporting to a sufficiently high level in the organization to be able to perform its duties independently.**
- ❑ **Having an active and effective reporting line to the governing body.**

## EXTERNAL AUDITORS, REGULATORS, AND OTHER EXTERNAL BODIES

External auditors, regulators, and other external bodies reside outside the organization’s structure, but they can have an important role in the organization’s overall governance and control structure. This is particularly the case in regulated industries, such as financial services or insurance. Regulators sometimes set requirements intended to strengthen the controls in an organization and on other occasions perform an independent and objective function to assess the whole or some part of the first, second, or third line of defense with regard to those requirements. When coordinated effectively, external auditors, regulators, and other groups outside the organization can be considered as additional lines of defense, providing assurance to the organization’s shareholders, including the governing body and senior management. Given the specific scope and objectives of their missions, however, the risk information gathered is generally less extensive than the scope addressed by an organization’s internal three lines of defense.

## COORDINATING THE THREE LINES OF DEFENSE

Because every organization is unique and specific situations vary, there is no one “right” way to coordinate the Three Lines of Defense. When assigning specific duties and coordinating among risk management functions, however, it can be helpful to keep in mind the underlying role of each group in the risk management process.

FIRST LINE OF DEFENSE	SECOND LINE OF DEFENSE	THIRD LINE OF DEFENSE
<b>Risk Owners/Managers</b>	<b>Risk Control and Compliance</b>	<b>Risk Assurance</b>
<ul style="list-style-type: none"> <li>• operating management</li> </ul>	<ul style="list-style-type: none"> <li>• limited independence</li> <li>• reports primarily to management</li> </ul>	<ul style="list-style-type: none"> <li>• internal audit</li> <li>• greater independence</li> <li>• reports to governing body</li> </ul>

All three lines should exist in some form at every organization, regardless of size or complexity. Risk management normally is strongest when there are three separate and clearly identified lines of defense. However, in exceptional situations that develop, especially in small organizations, certain lines of defense may be combined. For example, there are instances where internal audit has been requested to establish and/or manage the organization's risk management or compliance activities. In these situations, internal audit should communicate clearly to the governing body and senior management the impact of the combination. If dual responsibilities are assigned to a single person or department, it would be appropriate to consider separating the responsibility for these functions at a later time to establish the three lines.

Regardless of how the Three Lines of Defense model is implemented, senior management and governing bodies should clearly communicate the expectation that information be shared and activities coordinated among each of the groups responsible for managing the organization's risks and controls. Under the *International Standards for the Professional Practice of Internal Auditing*, chief audit executives are specifically required to "share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts."

#### RECOMMENDED PRACTICES:

- Risk and control processes should be structured in accordance with the Three Lines of Defense model.
- Each line of defense should be supported by appropriate policies and role definitions.
- There should be proper coordination among the separate lines of defense to foster efficiency and effectiveness.
- Risk and control functions operating at the different lines should appropriately share knowledge and information to assist all functions in better accomplishing their roles in an efficient manner.
- Lines of defense should not be combined or coordinated in a manner that compromises their effectiveness.
- In situations where functions at different lines are combined, the governing body should be advised of the structure and its impact. For organizations that have not established an internal audit activity, management and/or the governing body should be required to explain and disclose to their stakeholders that they have considered how adequate assurance on the effectiveness of the organization's governance, risk management, and control structure will be obtained.

All three lines should exist in some form at every organization, regardless of size or complexity. Risk management normally is strongest when there are three separate and clearly identified lines of defense.

## About the Institute

Established in 1941, The Institute of Internal Auditors (IIA) is an international professional association with global headquarters in Altamonte Springs, Fla., USA. The IIA is the internal audit acknowledged leader, chief advocate, and principal educator.

## Position Papers

Position Papers are part of The IIA's International Professional Practices Framework (IPPF), the conceptual framework that organizes authoritative guidance promulgated by The IIA. A trustworthy, global, guidance-setting body, The IIA provides internal audit professionals worldwide with authoritative guidance organized in the IPPF as mandatory guidance and strongly recommended guidance. Position papers are part of the Strongly Recommended category of guidance, compliance is not mandatory, but it is strongly recommended, and the guidance is endorsed by The IIA through formal review and approval processes.

Position Papers assist a wide range of interested parties, including those not in the internal audit

profession, in understanding significant governance, risk, or control issues, and delineating the related roles and responsibilities of internal auditing.

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