

City of Cupertino- Audit Recommendations Tracking Report  
7/18/2025

	( A )	( B )	( C )	( D )
Reports	Total Recommendations	Open Recommendations (Not Yet Completed by City)	Validated Recommendations (By Moss Adams)	Reportable Recommendations (Newly validated since last summary)
2022 Budget Process Review (BPR-22 )	5	1	4	0
2022 Santa Clara County Civil Grand Jury - A House Divided (CGJ-AHD-2022 )	8	4	4	0
2022 Santa Clara County Civil Grand Jury - Show me the Money (CGJ-SMTM-2022 )	1	1	0	0
2022 Capital Program Effectiveness Study (CPES-22 )	11	4	7	0
2023 Enterprise Leadership Assessment (ELA-23 )	24	8	16	1
2022 Fraud, Waste, Abuse Program (FWA) (FWA-22 )	3	0	3	0
2023 Library Expansion Construction Audit (LECA-23 )	9	4	5	2
2022 Procurement Operational Review (POR-22 )	16	7	9	0
2022 Single Audit (SA-22 )	1	1	0	0
Total	78	30	48	3

**Legend:**  
Total Recommendations = number of recommendations in the report  
Open Recommendations = number of recommendations not yet completed by City  
Validated Recommendations = number of recommendations validated by Moss Adams as completed and adequately addresses the finding  
Reportable Recommendations = number of recommendations validated since last summary report for Audit Committee

Item No.	Report Year	Report Code	Finding	Recommendation	Moss Adams Determination Notes
48C	2023	ELA-23	The City utilizes multiple commissions and committees to support Council decision-making. There are opportunities to increase the effectiveness of some of these groups.	Consider reviewing the names of governance groups to introduce a consistent naming convention for commission versus committee.	The City performed a review of commission and committee names and considered streamlining and ultimately didn't change any names.
55	2023	LECA-23	Contract Compliance – Skilled Labor Documentation Control	The design build entity should implement billing controls to ensure adequate skilled labor documentation, as required by the Contract terms. For example, the City should ensure that all Skilled and Trained Workforce documentation is consistently reported in the monthly application for payment with the appropriate level of detail required to ensure compliance with Public Contract Code. Compliance with this requirement should be tracked by the City and Project Management for compliance.	The City's standard specification general conditions section includes language requiring the contractor to submit certified payroll. In addition, staff reported the City has a process in place to get certified payroll where staff review and save documentation in a centralized location for each project. Staff showed us examples of these folders in a Teams meeting. These two controls are sufficient to meet this objective. Additional Note: We will note that although this finding is addressed, ideally the City should track this documentation to assess if design build entities consistently comply with this contract requirement.
57	2023	LECA-23	Contract Compliance – Inadequate Conditional Waiver Controls	As a best practice and consistent with contractual language, the design build entity should obtain and provide to the City conditional waivers from each subcontractor and material supplier once payment is made to support the City ensuring all parties are being paid timely and there are payment issues which may be an indicator of performance issues. At the end of a subcontractor's work, or at the Project's completion, conditional waivers for all subcontractors should be obtained to validate full payment for performance of the Contract and mitigate potential exposures for the City. Additionally, the City should consider updating policies and procedures to develop a methodology with project management personnel to determine which subcontractors are required to provide conditional waivers based on initial subcontracting plan including attributes such as contract size and or scope complexity.	The standard contract includes a statement in General Conditions, section 8.2 (A) that if requested, each application must be accompanied by the executed Conditional Waiver and Release Upon Progress Payment. In addition, staff reported the City does collect conditional waivers as part of the payment review process and they are saved in a central location. Staff showed us examples of these folders in a Teams meeting.