

October 21, 2024

To: City of Cupertino Audit Committee
 From: Moss Adams LLP
 Subject: Internal Audit Status Report July 16 through October 21, 2024

FY23-24 INTERNAL AUDIT PROGRAM		CITYWIDE POLICY REVIEW
Objective	Inventory City policies in each department, identify gaps, and review policies for opportunities for update and alignment with best practice. Provide a prioritized implementation plan for policy update.	
Schedule	September 2023 through September 2024	
Activities for This Period	Finalized report and present to the Audit Committee	
Activities for Next Period	None	
Issues	None	

FY24-25 INTERNAL AUDIT PROGRAM	GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW	SPECIAL REVENUE FUND PROCESS REVIEW	RECOMMENDATION VALIDATION PROCESS ESTABLISHMENT	ONGOING INTERNAL AUDIT SERVICES
Objective	Assess the internal controls in place over the City's grants management activities (including applications, review, administration, and reporting).	Document the process used for special revenue fund accounting, identify gaps compared to best practices, and conduct testing of prior years' accounting.	Inventory prior internal and external audit recommendations, collaborate with City staff to develop a tracking mechanism and process to report and validate recommendation implementation.	Attend Audit Committee and Council meetings, prepare status reports, manage internal audit program, and monitor FWA hotline.
Schedule	January through April 2025	August through December 2024	July 2024 through June 2025	July 2024 through June 2025
Activities for This Period	N/A	Held kickoff meeting and requested documents.	Developed initial tracking spreadsheet, requested documentation to begin validating recommendations City staff report are implemented.	Met monthly with City staff, monitored FWA hotline, and provided assistance at the City's request.
Activities for Next Period	None	Received documents, conduct analysis, develop preliminary observations and draft report.	Validate recommendations City staff report are implemented to determine status.	Continue to monitor FWA hotline and provide ongoing support to City.
Issues	None	None	None	None

FRAUD, WASTE, AND ABUSE HOTLINE STATISTICS: QUARTERLY				
Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed
Compliance & Ethics	3	0	3	3
Fraud	1	0	1	1
Employment Matters	2	0	2	2

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)	
Total Reports	28
Reports Closed	23
Reports Open	5