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MEMORANDUM

October 21, 2025

To: City of Cupertino Audit Committee
From: Baker Tilly
Subject: Internal Audit Status Report July 22 through October 21, 2025

FY24-25 INTERNAL AUDIT PROGRAM	GRANTS MANAGEMENT INTERNAL CONTROLS REVIEW
Objective	Assess the internal controls in place over the City's grants management activities (including applications, review, administration, and reporting).
Schedule	April through October 2025
Activities for This Period	Continued follow up on outstanding requests, conducted detailed testing, and developed draft report.
Activities for Next Period	Provide draft report to the City, incorporate feedback and finalize report.
Issues	None

FY25-26 INTERNAL AUDIT PROGRAM	COUNCIL-WIDE POLICY REVIEW INVENTORY	INVESTMENT/CASH FLOW POLICY REVIEW/RECOMMENDATION	CITY-WIDE INTERNAL CONTROL REVIEW	ONGOING INTERNAL AUDIT SERVICES
Objective	Review and provide recommendations to align council policies with best practices.	Review and provide best practice recommendations over City's investment/cash flow policy.	Conduct a review of the City's internal controls framework in key areas that are deemed important to protecting City assets and resources.	Attend Audit Committee and Council meetings, prepare status reports, manage internal audit program, and monitor FWA hotline.
Schedule	October 2025 through February 2026	October 2025 through January 2026	November 2025 through February 2026	July 2025 through June 2026
Activities for This Period	Initiated project, held kickoff meeting, sent document request.	Initiated project, sent document request.	Project to begin in November 2025.	Continue to monitor FWA hotline, perform validation continuation, and provide ongoing support to City.
Activities for Next Period	Assess received documents and schedule relevant emails.	Review policy, develop best practice recommendations, finalize, and provide best practice recommendations to the City.	Hold kickoff meeting, send document requests, perform interviews, provide preliminary observations, test select high-risk controls, draft report, incorporate report feedback, and provide final report to the City.	Continue to monitor FWA hotline and provide ongoing support to City.
Issues	None	Delay in receiving requested documents	None	None

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FRAUD, WASTE, AND ABUSE HOTLINE STATISTICS: QUARTERLY

Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed	Open
Compliance & Ethics	0	0	0	0	0
Fraud	0	0	0	0	0
Employment Matters	1	0	1	1	0

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)

Total Reports	38
Reports Closed	28
Reports Open	10

OUTSTANDING REPORTS – DAYS OPEN

Open Reports	Days Outstanding
Report 2000302663	607
Report 2000309461	585
Report 2000311746	577
Report 2000320154	550
Report 2000320491	548
Report 2000423152	222
Report 2000435031	185
Report 2000448473	147
Report 2000459484	114
Report 2000465974	95