

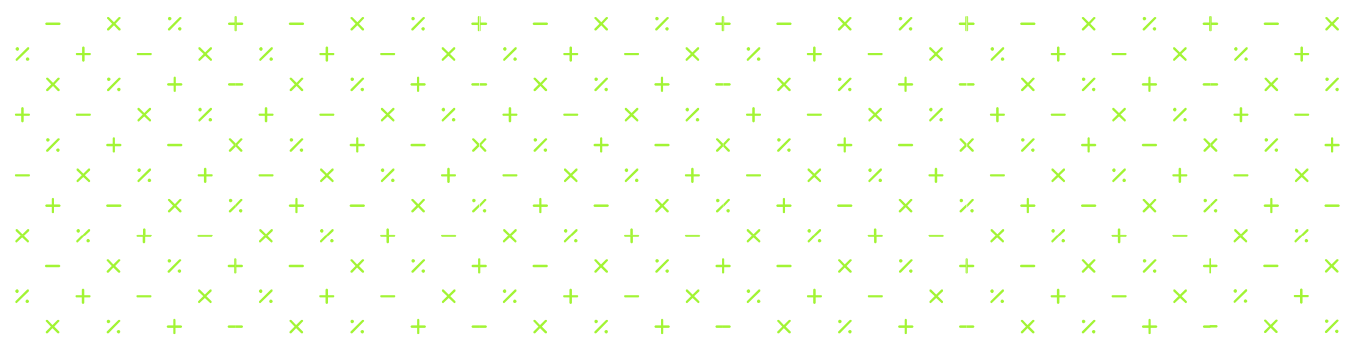


City of Cupertino

FY 23-24 Internal Audit Program

City Council Meeting

September 19, 2023



1. Internal Audit Overview
2. Program Review
3. Recommended Internal Audit Plan

Agenda

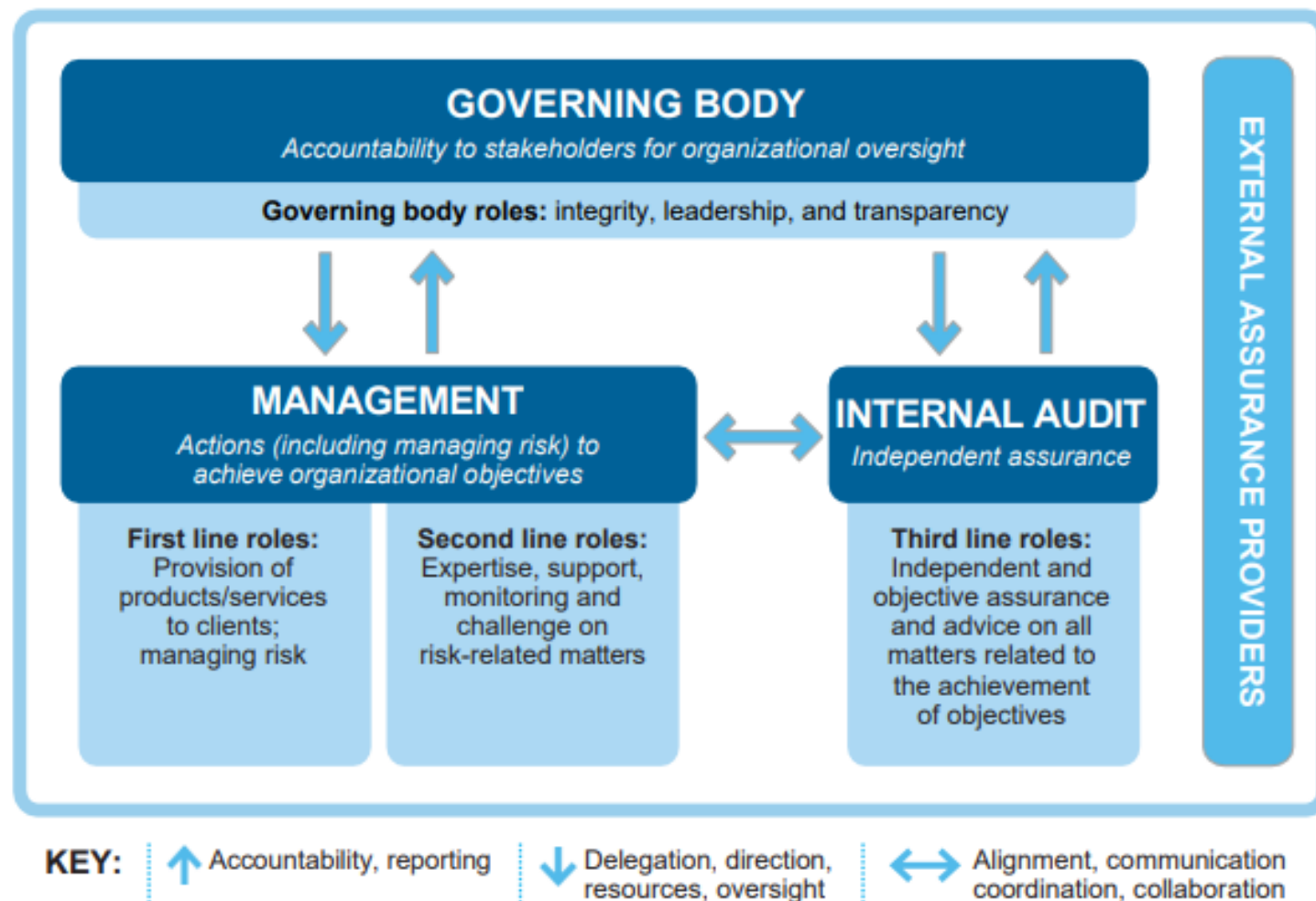


Internal Audit Overview

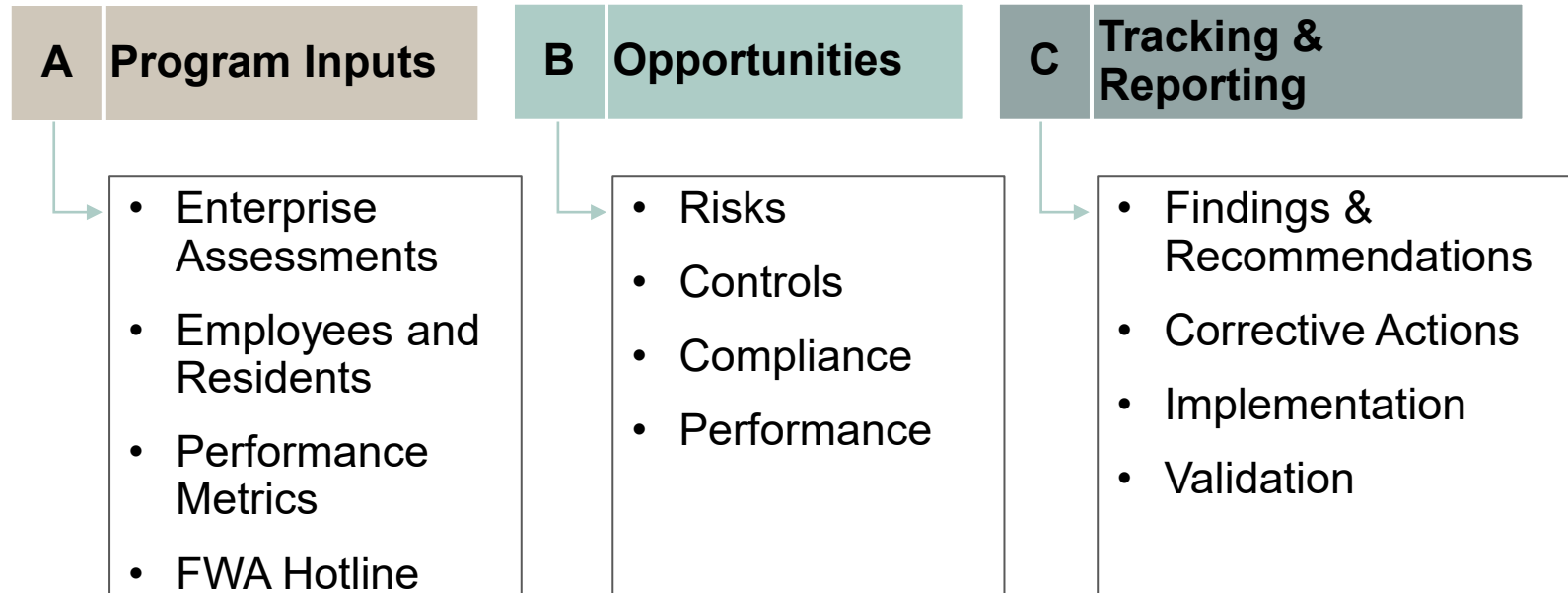
- The City retained Moss Adams to serve as the designated Internal Auditor and conduct projects focusing on:
 - Risks
 - Internal controls
 - Efficiency and effectiveness
 - Best practices
 - Compliance
- Work is being completed under appropriate industry standards (IIA, GAGAS, AICPA)

Role of Internal Audit

The IIA's Three Lines Model



Internal Audit Program Components



Internal Audit Program Review

Focus Area	Status
Enterprise Risk Assessments	2021
Internal Controls Projects Completed	2
Performance/Efficiency Projects Completed	5
Policies Reviewed	17
Recommendations Delivered	52
Ethics Hotline Reports	6
Recommendations Validated	<i>To Come</i>



Recommended Internal Audit Plan

1. Enterprise Risk Assessment: Identify, analyze, and measure risks by the level of inherent vulnerability, the level of preparedness to mitigate them, and the impact such negative events could have on the City should they occur. This assessment serves as management's and the internal auditor's basis for determining possible actions for managing and mitigating uncertainty, both on an inherent and a residual basis, and informs the three-year internal audit work program. (20 weeks, \$50,000)
2. Citywide Policy Review & Gap Analysis: 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. Continue to review and provide feedback on fiscal policies at the City's request. (52 weeks, \$40,000)
3. Ongoing Internal Audit Services: Attend Audit Committee and Council meetings; prepare status reports, manage internal audit program, manage FWA hotline, and prepare annual internal audit plan. (52 weeks)



Audit Committee Recommended Additional Project

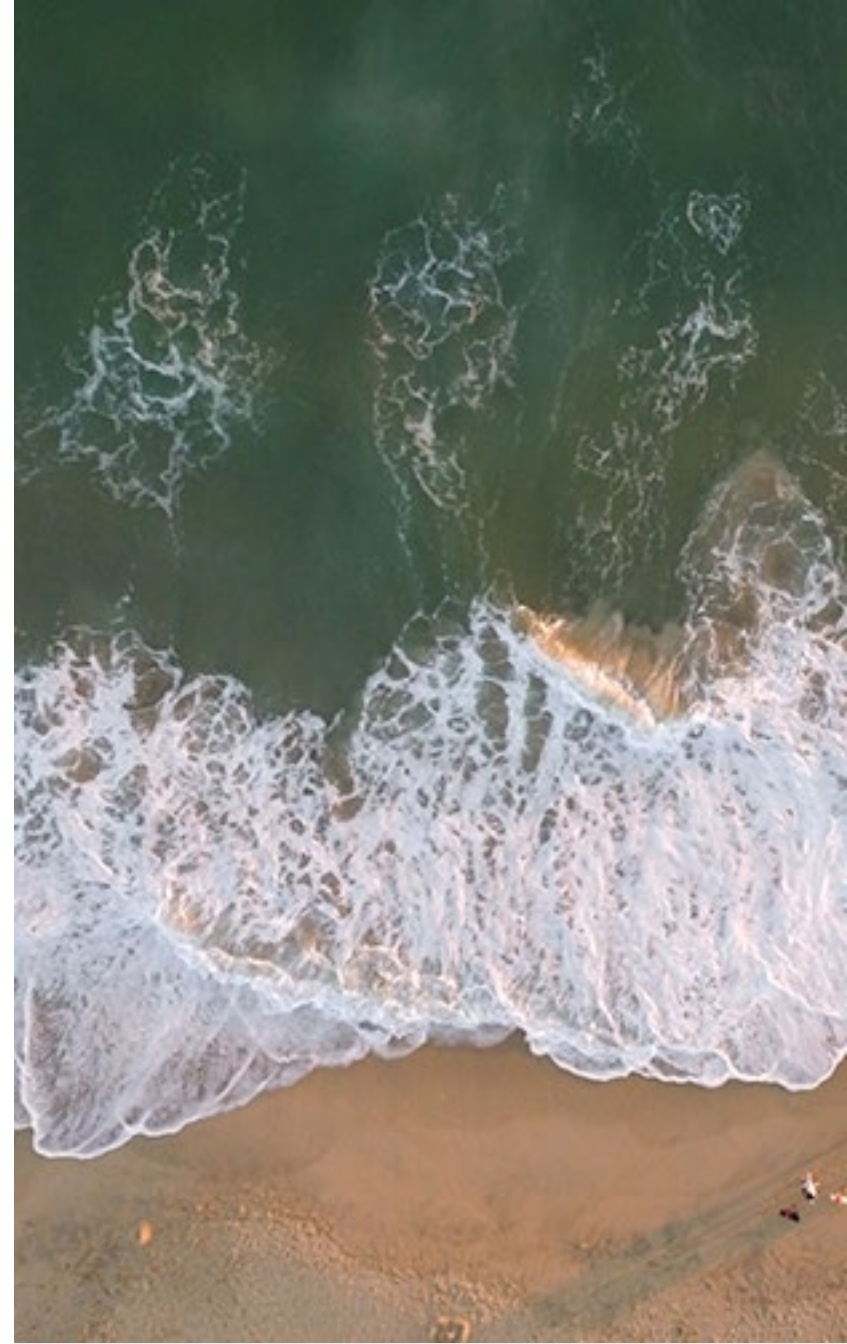
The Committee recommends to Council that if additional budget is available, to approve the following project, given the importance of effective grant management in securing external funding:

- Grants Management Performance Audit: Assess the City's grant policies and procedures, application, reporting, compliance, accounting, controls, and management for efficiency and alignment with best practices. (16 weeks, \$35,000)





Questions?



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