

April 21, 2025

To: City of Cupertino Audit Committee
From: Moss Adams LLP
Subject: Internal Audit Status Report January 21 through April 21, 2025

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	April through June 2025	August 2024 through July 2025	July 2024 through June 2025	July 2024 through June 2025
Activities for This Period	N/A	Completed interviews and moved into analysis and testwork phase. Began development of preliminary observations.	Developed initial tracking spreadsheet, requested documentation to begin validating recommendations City staff report as implemented, and reviewed documentation to determine status.	Met monthly with City staff, monitored FWA hotline, and provided assistance at the City's request.
Activities for Next Period	Conduct kickoff and initiate analysis	Complete analysis and testwork, finalize preliminary observations and develop draft report.	Continue to validate recommendations City staff report are implemented to determine status.	Continue to monitor FWA hotline and provide ongoing support to City.
Issues	None	Schedule delays due to staff capacity	None	None

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	4	2	4	2	2
Fraud	0	0	0	0	0
Employment Matters	0	0	0	0	0

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)	
Total Reports	33
Reports Closed	26
Reports Open	7

OUTSTANDING REPORTS – DAYS OPEN	
Open Reports	Days Outstanding
Report 2000302663	423
Report 2000309461	401
Report 2000311746	393
Report 2000320154	366
Report 2000320491	364
Report 2000423152	38
Report 2000435031	1