

January 16, 2026

To: City of Cupertino Audit Committee
From: Baker Tilly
Subject: Internal Audit Status Report October 22, 2025 through January 16, 2026

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 2025 through January 2026
Activities for This Period	Provided draft report to the city, incorporated feedback and finalize report.
Activities for Next Period	Finalize report.
Issues	Waiting to receive feedback from City officials to finalize report

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	November 2025 through March 2026	October 2025 through February 2026	December 2025 through April 2026	July 2025 through June 2026
Activities for This Period	Initiated project, held kickoff meeting, sent document request, and conducted interviews.	Reviewed policies and developed best practice recommendations.	Held kickoff meeting and sent document request.	Continue to monitor FWA hotline, perform validation continuation, and provide ongoing support to City.
Activities for Next Period	Finish final interviews and draft report.	Work with City on initial feedback and finalize policies.	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	None	None	None

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

HOTLINE STATISTICS: LIFETIME (OCTOBER 2022-PRESENT)	
Total Reports	39
Reports Closed	31
Reports Open	8

OUTSTANDING REPORTS – DAYS OPEN		
Open Reports	Days Outstanding	Last Day BT Follow-up
Report 2000302663	693	12/5/25
Report 2000309461	671	12/5/25
Report 2000311746	663	12/5/25
Report 2000320154	636	12/5/25
Report 2000320491	634	12/5/25
Report 2000435031	271	12/5/25
Report 2000465974	181	12/5/25
Report 2000520302	34	12/13/25