

April 20, 2026

To: City of Cupertino Audit Committee
 From: Baker Tilly
 Subject: Internal Audit Status Report January 17 through April 20, 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 October 2025
Activities for This Period	Provided draft report to the city, incorporated feedback and finalize report.
Activities for Next Period	Finalize report.
Issues	Working with 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 April 2026	December 2025 through May 2026	July 2025 through June 2026
Activities for This Period	Initiated project, held kickoff meeting, sent document request, conducted interviews, developed the draft report, and provided the final report.	Reviewed policies and developed best practice recommendations.	Performed interviews, provided preliminary observations, testing select high-risk controls.	Continue to monitor FWA hotline, perform validation continuation, and provide ongoing support to City.
Activities for Next Period	Present the report to the Audit Committee and to City Council.	Work with City on feedback and finalize policies.	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	Working with City on feedback to finalize policies	None	None

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	0	0	0	0	0

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

OUTSTANDING REPORTS			
Open Reports	Days Outstanding	Currently being held with	Last Day BT Followed-up
Report 2000302663	788	Under Council review	4/9/26
Report 2000309461	766	Under Council review	4/9/26
Report 2000311746	758	Under Council review	4/9/26
Report 2000230154	731	Under Council review	4/9/26
Report 2000320491	729	Under Council review	4/9/26
Report 2000435031	366	Under Council review	4/9/26
Report 2000465974	276	Under Council review	4/9/26
Report 2000520302	129	Under Council review	4/9/26