

Standard Work Plan for Audit Committee - 2021

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Version: 1.11.2021 - Revised

January Regular Meeting 01.27.21	April Regular Meeting 04.27.21	July Regular Meeting 07.27.21	October Regular Meeting 10.26.21
Approve Prior Meeting Minutes	Approve Prior Meeting Minutes	Approve Prior Meeting Minutes	Approve Prior Meeting Minutes
Audit Committee Proposed Standard Work Plan 2021	Treasurer's Report	Treasurer's Report	Treasurer's Report
Treasurer's Report	OPEB & Pension Section 115 Trust Performance Report	OPEB & Pension Section 115 Trust Performance Report	CAFR and AUP – draft review/update
OPEB & Pension Section 115 Trust Performance Report	Annual review of City Investment Policy	Interim report on CAFR and AUP by independent auditor	OPEB & Pension Section 115 Trust Performance Report
Review of FY 2019-20 CAFR and Supplemental Reports	Internal Audit Report	Internal Audit Report	Annual review of Pension and OPEB Trust Investment Policy
Internal Audit Kick-Enterprise Risk Assessment	Budget Format Review	City Work Program – Audit Committee Update	Internal Audit Report
Embezzlement Debrief	Audit Committee provides independent auditor input on interim audit and AUP steps.	Embezzlement Debrief	Embezzlement Debrief
	Follow-up on Previous FY Management Letter Items and Management Responses		
	Embezzlement Debrief		

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Summary of Duties – Powers – Responsibilities of Cupertino Audit Committee

Source: Cupertino, CA Municipal Code, Chapter 2.88.100: Audit Committee

The powers and functions of the Audit Committee shall be as follows:

- A: To review the annual audit report and management letter;
- B: To recommend appointment of auditors;
- C: To review the monthly Treasurer's report;
- D: To recommend a budget format;
- E: To review City investment policies and internal controls of such policies.
- F: To recommend appointment of internal auditors;
- G: To review internal audit reports. (Ord. 20-2208, § 1, 2020; Ord. 1679, § 1 (part), 1995

Source: City of Cupertino, Investment Policy, May 19, 2020

PERFORMANCE EVALUATION p3 "...Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the oversight (audit) committee, City Manager and City Council..."

OVERSIGHT COMMITTEE p4 "An audit committee consisting of appropriate internal and external members, appointed by the City Council, shall be established to provide general oversight and direction concerning the policy related to management of the City's investment pool and OPEB trust. The City Treasurer shall serve in a staff and advisory capacity. The committee shall meet at least quarterly to review policy changes, new legislation and portfolio status."

SAFEKEEPING OF SECURITIES p4 "...In order to verify investment holdings, an external auditor, on an annual basis, shall independently verify securities held in custody for the City."

INTERNAL CONTROL p5 "...An annual agreed-upon procedures engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants shall be conducted by an auditor solely to assist management in determining the City's compliance with this investment policy. At the conclusion of such engagement, the agreed-upon procedures report detailing all procedures performed and findings noted (if applicable) shall be provided to the Audit Committee of the City."

Source: City of Cupertino OPEB Trust, Investment Policy Statement, November 17, 2020

CITY OF CUPERTINO AUDIT COMMITTEE p4

- a) Establish, approve, and maintain investment objectives, guidelines, and policies (including this Policy).
- b) Appoint Investment Managers who can be reasonably expected to adhere to the investment guidelines and meet the investment objectives as established.

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- c) Monitor the investment performance of the Portfolio and compare actual investment performance relative to an appropriate benchmark index given the stated investment guidelines and objectives set forth in this Policy.
- d) Conduct a formal review of the Portfolio's asset allocation, investment structure and performance annually or more frequently as the need arises.
- e) Periodically review the Portfolio performance against objectives.

INVESTMENT POLICY STATEMENT REVIEW p5 "The City's Audit Committee will review [and the Cupertino City Council will adopt] this Investment Policy Statement at least annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same."

Source: City of Cupertino Pension Trust, Investment Policy Statement, November 17, 2020

CITY OF CUPERTINO AUDIT COMMITTEE p4

- a) Establish, approve, and maintain investment objectives, guidelines, and policies (including this Policy).
- b) Appoint Investment Managers who can be reasonably expected to adhere to the investment guidelines and meet the investment objectives as established.
- c) Monitor the investment performance of the Portfolio and compare actual investment performance relative to an appropriate benchmark index given the stated investment guidelines and objectives set forth in this Policy.
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Source: Resolution No. 18-3944 City Council of the City of Cupertino, May 15, 2018
"...WHEREAS, the City's Audit Committee shall select the third-party administrator of the Program and oversee the Program..."

Source: Resolution No. 20-091 City Council of the City of Cupertino, July 7, 2020
Establishing an Internal Audit Function and Ordinance No. 20-2208 "Amending City Code Chapter 2.88; Audit Committee §100 Duties-Powers-Responsibilities" to include:

- To recommend appointment of internal auditors;
- To review internal audit reports