

November 21, 2022

 To: City of Cupertino Audit Subcommittee  
 From: Moss Adams LLP  
 Subject: Internal Audit Status Report August 18 through November 21, 2022

FY22-23 INTERNAL AUDIT PROGRAM	FRAUD, WASTE, AND ABUSE PROGRAM (FY22 CARRYOVER)	LIBRARY CONSTRUCTION AUDIT	BUDGET PROCESS REVIEW	POLICY REVIEW ONGOING SUPPORT	ONGOING INTERNAL AUDIT SERVICES
<b>Objective</b>	Develop a FWA program, including program design, hotline implementation, ongoing hotline administration, and training.	Perform audit of library construction to review reporting, project accounting consistency controls, and related construction controls; identify non-compliant project charges and change orders and control improvement opportunities.	Document and review the City's budget process, compare to best practice, and provide recommendations for improvements in efficiency and effectiveness.	As the City updates and develops draft financial policies based on the prioritized inventory, review drafts and provide recommendations to align policies with best practice.	Attend Audit Committee and Council meetings; prepare status reports, manage internal audit program, and prepare FY 23-24 internal audit plan.
<b>Schedule</b>	April through September 2022	November 2022 through January 2023	October through December 2022	July 2022 through June 2023	July 2022 through June 2023
<b>Activities for This Period</b>	<ul style="list-style-type: none"> <li>Completed training of staff, appointed, and elected officials</li> <li>Launched FWA hotline October 2022</li> </ul>	Kicked off project with City and contractor, submitted document request list.	Kicked off project, received documents, and scheduled interviews.	Reviewed eight policies and procedures: <ul style="list-style-type: none"> <li>Revenue &amp; Accounts Receivable</li> <li>Accounts Payable</li> <li>Budgeting</li> <li>Capital Assets</li> <li>Cash Handling</li> <li>Credit Cards</li> <li>Payroll</li> <li>Purchasing</li> </ul>	Received 3 FWA hotline reports, see information below.
<b>Activities for Next Period</b>	None	Conduct fieldwork and analysis and develop draft report.	Conduct analysis and develop draft and final reports.	Continue to review policies and procedures at the request of the City	Continue to monitor FWA hotline and provide ongoing support to City
<b>Issues</b>	None	None	None	None	Project starts slightly delayed due to Council approval timeline; should not impact completion of program within fiscal year

**FRAUD, WASTE, AND ABUSE HOTLINE STATISTICS**

Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed
Compliance & Ethics	2	0	0	2
Fraud	0	0	0	0
Employment Matters	1	0	0	1