

February 20, 2023

To: City of Cupertino Audit Subcommittee

From: Moss Adams LLP

Subject: Internal Audit Status Report November 21, 2022 through February 20, 2023

FY22-23 INTERNAL AUDIT PROGRAM	LIBRARY CONSTRUCTION AUDIT	BUDGET PROCESS REVIEW	ENTERPRISE LEADERSHIP EFFECTIVENESS STUDY	POLICY REVIEW ONGOING SUPPORT	ONGOING INTERNAL AUDIT SERVICES
<b>Objective</b>	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.	Assess the effectiveness of the City's management and governance collaboration framework and provide recommendations to strengthen and streamline procedures to align with best practices for municipal leadership.	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. <a href="#">Link to May 2022 Audit Committee agenda and report containing prioritized fiscal policy inventory.</a>	Attend Audit Committee and Council meetings; prepare status reports, manage internal audit program, and prepare FY 23-24 internal audit plan.
<b>Schedule</b>	November 2022 through February 2023	October through December 2022	January through May 2023	July 2022 through June 2023	July 2022 through June 2023
<b>Activities for This Period</b>	Conducted fieldwork, analysis, and developing draft report.	Conducted analysis and developed draft and final reports.	Kicked off project, submitted document request.	The City has updated and we reviewed the draft of the Grants Management policies and procedures. Additionally, the City has re-updated the following drafts after we provided our questions and comments: <ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Budgeting</li> <li>• Cash Handling</li> <li>• Credit Cards</li> <li>• Payroll</li> <li>• Financial Reporting</li> </ul>	Received 1 FWA hotline report, see information below.
<b>Activities for Next Period</b>	Finalize analysis and develop draft and final reports.	None	Conduct fieldwork, conduct interviews and best practice research, perform analysis, and develop draft report.	Continue to review draft 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	None

FRAUD, WASTE, AND ABUSE HOTLINE STATISTICS				
Complaint Type	Complaints Received This Quarter	Under Review	Referred to Appropriate City Official(s)	Closed
Compliance & Ethics	0	0	0	0
Fraud	1	0	0	1
Employment Matters	0	0	0	0