

April 17, 2023

To: City of Cupertino Audit Subcommittee

From: Moss Adams LLP

Subject: Internal Audit Status Report February 21 through April 17, 2023

FY22-23 INTERNAL AUDIT PROGRAM	LIBRARY CONSTRUCTION AUDIT	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.	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	April through July 2023	July 2022 through June 2023	July 2022 through June 2023
<b>Activities for This Period</b>	Completed analysis, developed draft and final reports.	Kicked off product, submitted document request, received and reviewed documents, began interview scheduling.	The City has re-updated the following drafts after we provided our initial questions and comments. We re-reviewed the following policies and sent back the following to the City: <ul style="list-style-type: none"> <li>• Accounts Payable</li> <li>• Revenue and Accounts Receivable</li> <li>• Budgeting</li> <li>• Capital Assets</li> <li>• Cash Handling</li> <li>• Credit Cards</li> <li>• Grants Management</li> </ul>	Received 4 FWA hotline reports, see information below.
<b>Activities for Next Period</b>	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

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	1	1
Fraud	0	0	0	0
Employment Matters	2	0	0	2