

**MEMORANDUM**

Date: July 9, 2018

To: City of Stockton Audit Committee

From: Mark Steranka, Internal Auditor

Subject: Internal Audit Status Report May 1, 2018 thru June 30, 2018

Schedule Status: Notes:

- Performance Improvement Projects: Administrative Directives and citywide policies update ongoing. Next quarterly policy update is August 2018. Performance measure dashboard update and process improvement project ongoing.
- Internal Control Projects: Travel Expense completed.
- Basic Internal Auditor Services: Ongoing and on track. Next quarterly findings tracking update is August 2018.

Budget Status:

- Performance Improvement Projects: All projects within budget. Total amount invoiced for performance work through May 31, 2018 is \$114,855.00.
- Internal Control Projects: All projects within budget. Total amount invoiced for internal control work through May 31, 2018 is \$30,030.00.
- Basic Internal Auditor Services: All work within budget. Total amount invoiced through May 31, 2018 is \$82,290.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - Policies: Continued to assist the City with development of citywide policies and Administrative Directive rollout.
 - Validation of Responses to Audit Findings: Continued to track completed findings, validate findings reported as complete by City management, and update the Findings Tracking Report.
 - Performance Measurement: Continued to gather data to update performance dashboard and refine new measures in support of the Council's strategic initiatives.

- o Process Improvement: Documented current processes for fixed asset inventory management. Utility management and bill payment process placed on hold due to other priorities for City staff; anticipated start date September 2018.
- Internal Control Projects:
 - o Travel Expense Testing: Delivered final report.
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline (two new reports in the last period).

Activities for the next Reporting Period:

- Performance Improvement Projects:
 - o Policies: Continue to assist the City with development of citywide policies.
 - o Validation of Responses to Audit Findings: Continue to validate findings reported as complete by City management and update Findings Tracking Report.
 - o Performance Measurement: Continue to gather data from departments and update performance dashboard.
 - o Process Improvement: Continue work on fixed asset inventory process improvement. Utility management and bill payment process improvement on hold.
- Internal Control Projects:
 - o Travel Expense Testing: none.
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- None.