



Date: May 14, 2018

To: City of Stockton Audit Committee

From: Mark Steranka, Internal Auditor

Subject: Internal Audit Status Report April 16, 2018 thru April 30, 2018

MEMORANDUM

Schedule Status: Notes:

- Performance Improvement Projects: Administrative Directives and citywide policies update ongoing. Procurement diversity study completed. Performance measure dashboard update and process improvements underway.
- Internal Control Projects: Internal controls testing for Travel Expense is underway.
- 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 April 30, 2018 is \$109,395.00.
- Internal Control Projects: All projects within budget. Total amount invoiced for internal control work through April 30, 2018 is \$17,160.00.
- Basic Internal Auditor Services: All work within budget. Total amount invoiced through April 30, 2018 is \$76,050.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - o Policies: Continued to assist the City with development of citywide policies and Administrative Directive rollout.
 - o 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. Eighteen (18) findings validated.
 - o 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: Initiated planning for utility management and bill payment process improvement project.
 - o ERP Support: Initiated planning for fixed asset inventory management process improvement efforts to support ERP preparation.
- Internal Control Projects:
 - o Travel Expense Testing: Completed testing and prepared draft report
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline (one new report 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: Conduct kickoff meeting to document current (as is) process for utility management and bill payment.
 - o ERP Support: Conduct kickoff meeting to document current (as-is) process for fixed asset inventory process.
- Internal Control Projects:
 - o Travel Expense Testing: Review draft report with the City and finalize the report.
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- none