



Date: January 12, 2017  
To: City of Stockton Audit Committee  
From: Mark Steranka  
Subject: Internal Audit Status Report (December 1, 2016 through December 31, 2016)

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Schedule Status:

- Performance Improvement Projects: Administrative Directives and citywide policies update ongoing, integrated performance management development ongoing, and enterprise risk assessment completed. Defined scope of a Diversity Performance Audit.
- Internal Control Projects: Internal controls review completed for Revenue & Cash Collection, Payroll, Information Technology, Accounts Payable and Purchasing, Monthly Close and Reconciliation, and Grants Management. Testing phase in process for multiple areas. Cash Handling completed.
- Basic Internal Auditor Services: Ongoing and on track. Next quarterly findings tracking update is March 2017.

Budget Status:

- Performance Improvement Projects: All projects within budget. Total amount invoiced for performance work through November 30, 2016 is \$50,970.00.
- Internal Control Projects: All projects within budget. Total amount invoiced for internal control work through November 30, 2016 is \$84,045.00.
- Basic Internal Auditor Services: All work within budget. Total amount invoiced through November 30, 2016 is \$8,631.15.

Activities for this Reporting Period:

- Performance Improvement Projects:
  - Policies: Continued to assist the City with development of Administrative Directives and citywide policies.
  - Validation of Responses to Audit Findings: Continued to validate findings reported as complete by City management and update Findings Tracking Report.
  - Integrated Performance Management: Completed development of performance measures for a suite of community indicators based on the City Council's strategic targets.
  - Diversity Performance Audit: Initiated project planning.



- Internal Control Projects:
  - Internal Controls Testing: Prepared draft report for Monthly Close and Reconciliation. Completed field work for Payroll and Timekeeping, Purchasing, and Grants Management.
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline (no reports in the last period).

Activities for the next Reporting Period:

- Performance Improvement Projects:
  - Policies: Continue to assist City with development of Administrative Directives and citywide policies.
  - Validation of Responses to Audit Findings: Continue to validate findings reported as complete by City management and update Findings Tracking Report.
  - Integrated Performance Management: Finalize performance dashboard. Implementation of department- and program-level performance measures will follow strategic plan development, planned for early 2017.
  - Diversity Performance Audit: Work with City to identify interviewees and plan field work.
- Internal Control Projects:
  - Internal Controls Testing: Finalize report for Monthly Close and Reconciliation. Prepare draft reports for Payroll and Timekeeping, Purchasing, and Grants Management. Schedule fieldwork for Information Technology.
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- none