



Date: October 3, 2016
To: City of Stockton Audit Committee
From: Mark Steranka
Subject: Internal Audit Status Report (July 1, 2016 through September 30, 2016)

Schedule Status:

- Performance Improvement Projects: Administrative Directives and citywide policies update ongoing, integrated performance management development ongoing, and enterprise risk assessment nearing completion.
- 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 October 2016.

Budget Status:

- Performance Improvement Projects: All projects within budget. Total amount invoiced for performance work through August 31, 2016 is \$14,700.00.
- Internal Control Projects: All projects within budget. Total amount invoiced for internal control work through August 31, 2016 is \$50,310.00.
- Basic Internal Auditor Services: All work within budget. Total amount invoiced through August 31, 2016 is \$1,950.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - Policies: Continued to assist the City with development of Administrative Directives and citywide policies, and completed work on Operation Ceasefire policies for the Office of Violence Prevention.
 - Validation of Responses to Audit Findings: Continued to validate findings reported as complete by City management and update Findings Tracking Report.
 - Integrated Performance Management: Continued to refine measures for a suite of community indicators based on the City Council's strategic targets.
 - Risk Assessment: Completed analysis and prepared draft report.



- Internal Control Projects:
 - Internal Controls Testing: Finalized Cash Handling report. Completed field work for Payroll and Timekeeping, Monthly Close and Reconciliation, Purchasing, and Grants Management.
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline (five 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 community indicators and performance dashboard. Implementation of department- and program-level performance measures will follow strategic plan development, planned for early 2017.
 - Risk Assessment: Provide draft report to City for review and finalize report.
- Internal Control Projects:
 - Internal Controls Testing: Prepare reports for Payroll and Timekeeping, Monthly Close and Reconciliation, and Purchasing. 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