



Date: June 14, 2021

MEMORANDUM

To: City of Stockton Audit Committee

From: Moss Adams

Subject: Internal Audit Status Report April 1, 2021 thru May 31, 2021

Schedule Status:

- Performance Improvement Projects: Current area of focus includes policy development.
- Internal Control Projects: Current areas of focus include inventory and fixed asset internal controls testing.
- Basic Internal Auditor Services: Ongoing and on track. Next quarterly findings tracking update is September 2021.

Budget Status:

- Performance Improvement Projects: Total amount invoiced for performance work through April 30, 2021 is \$55,453.00 compared to a total budget of \$95,000.00.
- Internal Control Projects: Total amount invoiced for internal control work through April 30, 2021 is \$20,295.00 compared to a total budget of \$90,240.00.
- Basic Internal Auditor Services: Total amount invoiced through April 30, 2021 is \$60,885.00 compared to a total budget of \$80,000.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - Policies: Communications and IT policies are on deck.
 - Capital Program Process Improvement: On hold at request of City.
 - Validation of Responses to Audit Findings: Continued to validate findings reported as complete by City management and update Findings Tracking Report.

- Internal Control Projects:
 - Fixed Asset Internal Controls Testing: Completed planning and initiated fieldwork.
 - Inventory Internal Controls Testing: Conducted kickoff meeting and initiated planning.
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline. There were two reports since the last Audit Committee meeting.

Activities for the next Reporting Period:

- Performance Improvement Projects:
 - Policies: Continue to assist the City with completing outstanding policies and procedures to fill in gaps.
 - Capital Program Process Improvement: On hold.
 - Validation of Responses to Audit Findings: Continue to validate findings reported as complete by City management and update Findings Tracking Report.
- Internal Control Projects:
 - Fixed Asset Internal Controls Testing: Complete fieldwork.
 - Inventory Internal Controls Testing: Complete planning and initiate fieldwork.
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- None.