



MEMORANDUM

Date: October 13, 2020

To: City of Stockton Audit Committee

From: Moss Adams

Subject: Internal Audit Status Report June 1, 2020 thru September 30, 2020

Schedule Status:

- Performance Improvement Projects: Current areas of focus include policy development, vendor management performance audit, human resources operational review, and capital program process improvement. Upcoming areas of focus include permitting efficiency study. Next quarterly policy update is January 2021.
- Internal Control Projects: Current areas of focus include P-Card and grants management internal controls testing. Upcoming areas of focus include fixed asset and inventory internal controls testing.
- Basic Internal Auditor Services: Ongoing and on track. Next quarterly findings tracking update is January 2021.

Budget Status:

- Performance Improvement Projects: Total amount invoiced for performance work through July 31, 2020 is \$136,120.00 compared to a total budget of \$170,000.00.
- Internal Control Projects: Total amount invoiced for internal control work through July 31, 2020 is \$76,670.00 compared to a total budget of \$75,430.00.
- Basic Internal Auditor Services: Total amount invoiced through July 31, 2020 is \$79,745.00 compared to a total budget of \$80,000.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - Policies: Continued to assist the City with completing outstanding policies and procedures to fill in gaps.
 - Venues Contract Performance Audit: Completed project and finalized report.

- Human Resources Operational Review: Initiated project with scoping meeting with City Manager's Office and interviews with members of the Human Resources Department.
- Capital Program Process Improvement: Performed project planning.
- Permitting Efficiency Study: none (December start)
- Validation of Responses to Audit Findings: Continued to validate findings reported as complete by City management and update Findings Tracking Report.
- Internal Control Projects:
 - P-Card Internal Controls Testing: Completed project and finalized report.
 - Fixed Assets Internal Controls Testing: none (March start)
 - Inventory Internal Controls Testing: none (April start)
- Basic Internal Auditor Services: Continued to keep the Audit Committee apprised of program status. Continued to monitor the Ethics Hotline. There were eight reports since the last Audit Committee meeting.

Activities for the next Reporting Period:

- Performance Improvement Projects:
 - Policies: Facilitate planning meeting to define focus for the balance of the year.
 - Human Resources Operational Review: Conduct stakeholder interviews and review relevant documents.
 - Capital Program Process Improvement: Conduct kickoff meeting.
 - Permitting Efficiency Study: none (December start)
 - 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 Assets Internal Controls Testing: none (March start)
 - Inventory Internal Controls Testing: none (April start)
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- None.