



MEMORANDUM

Date: October 18, 2021

To: City of Stockton Audit Committee

From: Moss Adams

Subject: Internal Audit Status Report June 1, 2021 thru September 30, 2021

Schedule Status:

- Performance Improvement Projects: Current area of focus includes policy development and vendor management reviews.
- 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 January 2022.

Budget Status:

- Performance Improvement Projects: Total amount invoiced for performance work through August 31, 2021 is \$410.00 compared to a total budget of \$200,000.00.
- Internal Control Projects: Total amount invoiced for internal control work through August 31, 2021 is \$5,535.00 compared to a total budget of \$84,615.00.
- Basic Internal Auditor Services: Total amount invoiced through August 31, 2021 is \$12,710.00 compared to a total budget of \$80,000.00.

Activities for this Reporting Period:

- Performance Improvement Projects:
 - Policies: Worked with management to develop a FY 21-22 plan, including interface with ERP policy update team.
 - Vendor Management Reviews: Conducted kickoff meeting, requested documents, and scheduled interviews.
 - 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: On pause due to ERP project.
 - Inventory Internal Controls Testing: On pause due to ERP project.
- 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.
 - Vendor Management Reviews: Review documents and conduct interviews.
 - 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: Perform fieldwork.
 - Inventory Internal Controls Testing: Perform fieldwork.
- Basic Internal Auditor Services: Continue to keep the Audit Committee apprised of program status. Continue to monitor the Ethics Hotline.

Issues:

- None.