

City of Stockton - Audit Findings Tracking Report
10/12/2021

	(A)	(B)	(C)	(D)
	Total Findings	Open Findings (Not Yet Completed by City)	Validated Findings (By Moss Adams)	Reportable Findings (Newly validated since last summary)
Reports				
2011 Memorandum of Internal Control for CAFR (MOIC11)	38	2	36	0
2011 Single Audit (SA11)	5	0	5	0
2010 Single Audit (SA10)	8	0	8	0
2010 Report to Management (RMIC10)	3	0	3	0
Internal Audit	36	9	27	0
2002 Performance Audit - Administrative Directives (IA-AD)	1	0	1	0
2007 Internal Control Evaluation - Stockton Events Center (IA-SEC)	1	0	1	0
2008 Performance Audit - Library Fines and Fees (IA-LIB)	1	0	1	0
2010 Compliance Audit - Election Costs (IA-EC)	1	0	1	0
2010 Performance Audit - Fire Department Overtime Processing System (IA-FP)	2	0	2	0
2012 Compliance Audit-ARRA Update (IA-ARRA)	4	4	0	0
2012 Compliance Audit: Disbursements – Payment Authority (IA-PA)	10	1	9	0
2012 Compliance Audit: Disbursements – Purchase Cards (IA-PC)	5	0	5	0
2005 Performance Audit: City Clerk (IA-CC)	1	0	1	0
2012 Performance Audit: Police Property Room (IA-PP)	3	0	3	0
2012 Performance Audit: Fleet Utilization and Management (IA-FUM)	7	4	3	0
2011 City of Stockton's Gas Tax Audit (SCOGT11)	3	0	3	0
2011 City of Stockton's Administrative and Accounting Controls Review (SCOIC11)	8	2	6	0
2011 City of Stockton's Redevelopment Agency Asset Transfer Review (SCORA11)	2	0	2	0
2014 City of Stockton's Crime Statistics Report for the Department of Justice Program (SCOC514)	1	0	1	0
2012-2013 San Joaquin County Grand Jury Report, Case No. 0112 (SCGJ-112)	22	1	21	0
2012-2013 San Joaquin County Grand Jury Report, Case No. 0312 (SCGJ-312)	2	1	1	0
2012-2013 San Joaquin County Grand Jury Report, Case No. 0912 (SCGJ-912)	4	0	4	0
2012-2013 San Joaquin County Grand Jury Report, Case No. 1112 (SCGJ-1112)	1	0	1	0
2012-2013 San Joaquin County Grand Jury Report, Law and Justice Report (SCGJ-LAW)	1	0	1	0
2013-2014 San Joaquin County Grand Jury Report, Stockton City Council and The Brown Act (SCGJ-BRN)	14	4	10	0
2013-2014 San Joaquin County Grand Jury Report, Case No. 1613 (SCGJ-1613)	2	0	2	0
2013 Internal Controls Review (Enterprise Risk Assessment) (MA-ICR)	70	21	49	2
2014 Internal Audit of Revenue and Cash Operations (MA-REV)	18	2	16	0
2014 Internal Audit of IT General Controls (MA-IT)	20	11	9	0
2014 Internal Audit of Payroll Operations (MA-PAY)	12	2	10	0
2014 Internal Audit of Accounts Payable and Procurement Internal Controls (MA-AP/PUR)	10	0	10	0
2015 Internal Audit of Monthly Close Process (MA-MON)	4	0	4	0
2015 Internal Audit of Grants Management (MA-GRANT)	3	3	0	0
2017 Internal Controls Testing: Cash Handling (MA-CASH)	18	8	10	0
2017 Internal Controls Testing: Month End Close and Reconciliation Process (MA-MONIC)	13	3	10	0
2017 Internal Controls Testing: Grants Management and Administration (MA-17GRANT)	15	12	3	0
2017 Internal Controls Testing: Payroll and Timekeeping (MA-17PAY)	15	5	10	0
2017 Internal Controls Testing: Superior Access (MA-17IT)	4	1	3	0
2017 Internal Controls Testing: Purchasing and AP (MA-17PUR)	16	4	12	0
2018 Internal Controls Testing: Travel Expenses (MA-18TRVL)	4	4	0	0
2020 Venue Management Performance Audit (MA-20VMGT)	15	15	0	0
2020 Internal Controls Testing: Purchasing Card (MA-20PCRD)	5	3	2	0
2012 SAS 115 - Internal Controls Identified in an Audit (12 SAS115)	11	0	11	1
2012 Single Audit Report (SA12)	6	2	4	0
2013 SAS 115 - Internal Controls Identified in an Audit (13 SAS115)	9	0	9	1
2013 Single Audit Report (SA13)	3	0	3	0
2014 Single Audit Report (SA14)	2	0	2	0
2014 SAS 115 - Internal Controls Identified in an Audit (14SAS115)	6	0	6	1
2015 SAS 115 - Internal Controls Identified in an Audit (15SAS115)	4	0	4	1
2015 Single Audit Report (SA15)	2	0	2	0
2016 SAS 114 - Report on Internal Control Related Matters Identified in the Audit (16SAS114)	4	1	3	1
2017 Single Audit (SA17)	6	0	6	1
2017 SAS 115 - Report on Internal Control Related Matters Identified in the Audit (17SAS115)	4	0	4	1
2018 SAS 115 - Report on Internal Control Related Matters Identified in the Audit (18SAS115)	2	0	2	0
2016 Public Agency Review (16PAR)	1	1	0	0
2012 Independent Accountant's Report on RDA Dissolution - Agreed Upon Procedures Engagement (RDA-AUP)	5	1	4	0
Total	457	118	339	9

Legend:

Reports = report name
Reporting Entity = organization that prepared the report
Total Findings = number of findings in the report
Open Findings = number of findings not yet completed by City
Completed Findings = number of findings completed by City, both and not yet validated
Validated Findings = number of findings validated by Moss Adams as completed and adequately addresses the finding
Reportable Findings=number of findings validated since last summary report for Audit Committee report

Relationships between Columns

Total Findings: Column (A) = Column (B) + Column (C)
Open Findings: Column (B)
Completed Findings: Column (C) = Column (A) - (B)
Validated Findings: Column (D) (subset of (C) Completed Findings)
Reportable Findings: Column (E) (subset of (D) Validated Findings)

Attachment A

Item No.	Finding No.	Report Code	Report Date	Period Covered	Finding	Recommendation	Responsible Dept(s)	<MA Validated/ Closed?>	<Committee Month> (Summary Page drives inclusion)	Moss Adams Determination
141	B-2	MA-ICR	8/19/2013	3/1/2013-6/30/2013	The Accounting Director approves certain purchases for payment without confirmation that the goods and services have been received by departments. These types of payments relate to the purchase of paper, office supplies, and Chevron gas card payments.	Establish procedures to ensure payments are made only for goods and services that have been received.	ASD Procurement Accounting	yes	Oct-21	Closed following review of Procurement module implementation and requirements to match receipt prior to payment for goods and services.
188	H-8	MA-ICR	8/19/2013	3/1/2013-6/30/2013	Information systems should provide management with necessary reports on the entity's performance relative to established objectives, including relevant external and internal information. Information is provided to appropriate positions in sufficient detail, and on time, to enable them to carry out their responsibilities efficiently and effectively.	Conduct a cost and feasibility assessment to determine solutions to increase functionality of the current system or consider a move to an alternative or supplemental system. Ensure that policies exist and are followed to ensure that key spreadsheets are saved on a shared drive that is frequently backed up. Develop critical reports needed for efficient and effective monitoring and management reporting.	IT	Yes	Oct-21	Closed following implementation of ERP for financial functions.
214	2012-06	12 SAS115	12/9/2013	7/1/2011 - 6/31/2012	The financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends are outdated and inadequate for a city the size of Stockton.	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.	ASD	Yes	Oct-21	Closed following implementation of ERP for financial functions.
297	2013-05	13 SAS115	6/25/2014	07/01/2012 - 06/31/2013	The financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends are outdated and inadequate for a city the size of Stockton.	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.	ASD	Yes	Oct-21	Closed following implementation of ERP for financial functions.

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325	2014-04	14SAS115	6/30/2014	07/01/2013 - 06/30/2014	<p>We evaluated the financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends. These systems form the basis for all financial reporting that is critical to the decision making process, and ultimately, the basis for the financial stability of the City. We found that the systems employed by the City are outdated and are not adequate nor are appropriate for a City of this size and complexity. Specific deficiencies of the system employed include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Inability to automatically post activity from outsourced operations such as banking, loan servicer, parking, parking tickets, library and other auxiliary systems. 2. There is a sufficiently high volume of manually posted transactions to record daily financial activities due to the lack of integration. Manual entries are time consuming, subject to significant risk of error, and cause delays in monthly and year end close process. 3. Complex processes for the retrieval of data that is needed on a day-to-day basis. In addition, certain key reports used for budgeting and limited financial reporting contain unresolved errors in the data. 4. The library's accounting billing and AR system is not integrated into the City's GL. The City is only able to reconcile the two systems on an annual basis due to the time it consumes. <p>The result of these overall system deficiencies is a significant degradation in efficiency of staff, who must utilize manual processes or other software products for the recording and reporting of routine</p>	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.	ASD	Yes	Oct-21	Closed following implementation of ERP for financial functions.
332	2015-03	15SAS115	12/31/2015	07/01/2014 - 06/30/2015	<p>We evaluated the financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends. These systems form the basis for all financial reporting that is critical to the decision making process, and ultimately, the basis for the financial stability of the City. We found that the systems employed by the City are outdated and are not adequate nor are appropriate for a City of this size and complexity. Specific deficiencies of the system employed include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Inability to automatically post activity from outsourced operations such as banking, loan servicer, parking, parking tickets, library and other auxiliary systems. 2. There is a sufficiently high volume of manually posted transactions to record daily financial activities due to the lack of integration. Manual entries are time consuming, subject to significant risk of error, and cause delays in monthly and year end close process. 3. Complex processes for the retrieval of data that is needed on a day-to-day basis. In addition, certain key reports used for budgeting and limited financial reporting contain unresolved errors in the data. 4. The library's accounting billing and AR system is not integrated into the City's GL. The City is only able to reconcile the two systems on an annual basis due to the time it consumes. <p>The result of these overall system deficiencies is a significant degradation in efficiency of staff, who must utilize manual processes or other software products for the recording and reporting of routine</p>	<p><Repeated Finding></p> <p>The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.</p>	ASD	Yes	Oct-21	Closed following implementation of ERP for financial functions.

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339	2016-03	16SAS114	12/30/2016	7/1/2015-6/30/16	Accounting System The City has a twenty plus year old outdated accounting system that needs to be updated.	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity.	ASD	Yes	Oct-21	Closed following implementation of ERP financial functions.
424				7/1/16 - 6/30/17	We evaluated the financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends. These systems form the basis for all financial reporting that is critical to the decision making process, and ultimately, the basis for all financial stability of the City. We found that the systems employed by the City are outdated and are not adequate nor are appropriate for a City of this size and complexity. Specific deficiencies of the system employed include, but are not limited to: 1. Inability to automatically post activity from outsourced operations such as banking, loan servicer, parking, parking tickets, library and other auxiliary systems. 2. There is sufficiently high volume of manually posted transactions to record daily financial activities due to the lack of integration. Manual entries are time consuming, subject to significant risk of error, and cause delays in monthly and year end close processes. 3. Complex processes for the retrieval of data that is needed on a day-to-day basis. In addition, certain key reports used for budgeting and limited financial reporting contain unresolved errors in the data. 4. The library's accounting billing and AR system is not integrated into the City's GL. The City is only able to reconcile the two systems on an annual basis due to the time it consumes. The result of these overall system deficiencies is a significant degradation in efficiency of staff, who must utilize manual processes or other software products for the recording and reporting of routine financial activity, such as billings, personnel and payroll data, inventories, capital asset, depreciation, budgeting, etc.	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.	ASD	Yes	Oct-21	Closed following implementation of ERP financial functions.
	2017-003	SA17	12/29/2017							

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430				7/1/16 - 6/30/17	<p>We evaluated the financial systems employed by the City in managing its overall fiscal operations, including processing of billings and payments, preparation of financial reports, budgets, and analysis of trends. These systems form the basis for all financial reporting that is critical to the decision making process, and ultimately, the basis for all financial stability of the City. We found that the systems employed by the City are outdated and are not adequate nor are appropriate for a City of this size and complexity. Specific deficiencies of the system employed include, but are not limited to:</p> <ol style="list-style-type: none"> 1. Inability to automatically post activity from outsourced operations such as banking, loan servicer, parking, parking tickets, library and other auxiliary systems. 2. There is sufficiently high volume of manually posted transactions to record daily financial activities due to the lack of integration. Manual entries are time consuming, subject to significant risk of error, and cause delays in monthly and year end close processes. 3. Complex processes for the retrieval of data that is needed on a day-to-day basis. In addition, certain key reports used for budgeting and limited financial reporting contain unresolved errors in the data. 4. The library's accounting billing and AR system is not integrated into the City's GL. The City is only able to reconcile the two systems on an annual basis due to the time it consumes. <p>The result of these overall system deficiencies is a significant degradation in efficiency of staff, who must utilize manual processes or other software products for the recording and reporting of routine financial activity, such as billings, personnel and payroll data, inventories, capital asset, depreciation, budgeting, etc.</p>	The City is strongly urged to begin the process of review of other software applications that are specifically designed for municipal entities and have the full functionality needed for a City of this size and complexity. These other software applications should be evaluated in light of their general acceptance in cities of this nature and size, the level of internal user support required to operate the software, the training required for users and the cost.	ASD	Yes	Oct-21	Closed following implementation of ERP financial functions.
	2017-03	17SAS115	12/29/2017							