



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: City Auditor

Meeting Date: March 4, 2024

Report #:2402-2640

TITLE

Acceptance of the Office of the City Auditor's Quarterly Status Report for the Period of October - December 2023

RECOMMENDATION

The Policy and Services Committee and the Office of the City Auditor recommend the City Council accept the Office of the City Auditor's Quarterly Status Report covering October – December 2023.

EXECUTIVE SUMMARY

The committee members approved the Quarterly Status Report in the Analysis section below at the Policy and Services Committee meeting on February 13, 2024¹.

MOTION: Council Member Lythcott-Haims moved, seconded by Chair Kou to recommend the City Council accept the Office of the City Auditor's Quarterly Status Report covering October – December 2023.

MOTION PASSED: 2-0

BACKGROUND

The Task 5 of the six required internal audit tasks in the agreement between the City of Palo Alto (City) and Baker Tilly US, LLP (Baker Tilly) is to provide a quarterly report of the status and progress toward audit completion as information reports to the City Council.

ANALYSIS

The internal audit activities from October to December 2023 are listed below by task within the

¹ Policy & Services Committee, February 13, 2024, Agenda Item #2, SR #2312-2460, <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=14868>

agreement with the City:

- Task 1 – Citywide Risk Assessment
 - Presented to and approved by the Policy and Services Committee on December 12, 2023 (Report# 2310-2174)²
- Task 2 – Preparation of Annual Audit Plan
 - FY2024 Audit Plan presented to and approved by the Policy and Services Committee on December 12, 2023 (Report# 2310-2174)²
- Task 3 – Selection of External Financial Auditor and Annual Audit Coordination
 - FY2023 Audited Financial Statements presented to and approved by Finance Committee on November 28, 2023 (Report# 2309-2041)³
- Task 4 – Execute Annual Audit Plan
 - Presented the Wastewater Treatment Plant Agreement Audit report to Policy and services Committee on December 12, 2023 (Report# 2311-2307)⁴
 - Presented the Investment Management Audit report to the Policy and Services Committee on December 12, 2023 (Report# 2311-2308)⁵
- Task 5 – Periodic Reporting, Hotline Monitoring, and Other Administrative Functions
 - Obtained City Council consent of the proposed changes to the Fraud, Waste, and Abuse Hotline Administration Policy on November 13, 2023 (Report # 2310-2180)⁶
 - No hotline reports were received during this period
 - Participated in various meetings, including City Council, Executive Leadership, Agenda Planning, and Committee Meetings
- Task 6 – Evaluation and Benchmarking
 - No activity to report in this quarter

FISCAL/RESOURCE IMPACT

This quarterly report does not have resource impact.

STAKEHOLDER ENGAGEMENT

No stakeholder was engaged in preparation of this quarterly report.

ENVIRONMENTAL REVIEW

Environmental review is not applicable to preparation of this quarterly report.

APPROVED BY:

² Policy and Services Committee, December 12, 2023, Agenda Item #3, SR #2310-2174;
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=12186>

³ Finance Committee, November 28, 2023, Agenda Item #1, SR #2309-2041;
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=13238>

⁴ Policy and Services Committee, December 12, 2023, Agenda Item #4, SR # 2311-2307;
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=12186>

⁵ Policy and Services Committee, December 12, 2023, Agenda Item #5, SR # 2311-2308;
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=12186>

⁶ City Council, November 13, 2023, Agenda Item #1, SR #2310-2180;
<https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=13056>