



## Office of the General Auditor

### • General Auditor's Report for May 2024

#### Summary

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This report highlights significant activities of the Office of the General Auditor for the month ended May 31, 2024.

#### Purpose

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Informational

#### Attachments

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1. Final report on Contract Audit: Kennedy/Jenks Consultants, Inc., Agreement No. 184581
2. Final report on Compliance Audit: Fuel Regulations

#### Detailed Report

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##### Audit & Advisory Projects

Twenty-seven projects are in progress:

- Twelve audit projects are in the report preparation phase, including:
  - One draft report pending management response (IBI Group)
  - One preliminary draft report pending management comment (Surplus Personal Property)
- Eleven projects are in the execution phase, including five audits and six advisories.
- Four audit projects are in the planning phase.

Work priority is being given to carry-forward audits.

##### Final Reports

1. **Contract Audit: Kennedy/Jenks Consultants, Inc., No. 184581** (project number 22-2102-02) issued May 31, 2024
  - Audit scope included reviewing internal controls over the administration and accounting of the contract from November 16, 2018 to November 30, 2021.
  - One recommendation with the following rating: **Priority 2**.
2. **Compliance Audit: Fuel Regulations** (project number 22-3051) issued May 31, 2024
  - Audit scope included evaluating the administrative controls over the regulatory compliance of fuel stored in aboveground storage tanks (AST) and underground storage tanks (UST) over the period July 1, 2018 to June 30, 2021.
  - Five total recommendations with the following rating: **Priority 3**.

## Board Report (General Auditor's Report for May 2024)

### **Advisory Memos**

1. **Fixed Asset Capitalization** (no. 2301) issued May 31, 2024
  - Project accounting improvements should be implemented to ensure expenses are correctly recorded in the proper period in Metropolitan's accounting system.

### **Follow-Up Audits**

We will follow up on nine audits from prior years. Follow-up audit forms have been received back from management for seven of the audits, and follow-up audit work is in progress for all seven.

### **Other General Auditor Activities**

1. **FY 2024/25 General Auditor Internal Audit Plan**

Next fiscal year's internal audit plan was completed and Board feedback received at this month's Audit Subcommittee meeting. The audit plan is pending approval at the June Board of Directors meeting.
2. **External Auditor Support**

Macias Gini & O'Connell LLP has commenced planning for this fiscal year's external audit. Internal Audit is assisting with the interim testing and will provide 800 hours of support.
3. **Service Awards**

Principal Auditors Sherman Hung and Linawaty Tan received their 20-year service awards.