



**EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STAFF REPORT**

DATE	March 12, 2025
TITLE	Recommendation to the Board of Directions to Approve the Internal Audit Work Plan for 2025 and Final 2024 Internal Audit Results
DIVISION	Finance and Management Services
FROM	David Sumner, Audit Manager Deborah Spaulding, Assistant General Manager of Finance and Management Services
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

Staff requests that the Board Finance Committee review the information and direct staff to provide the 2025 Internal Audit Work Plan for acceptance by the Board of Directors.

BACKGROUND

Auditing is a cornerstone of good public sector governance. Auditing is essential for upholding the principles of accountability, transparency, integrity, equality; and providing services to the public ethically, effectively, efficiently, and economically within boundaries of specific programs.

Auditing is defined as the systematic accumulation of evidence about information to determine and report on the degree of correspondence between the information and established criteria. In a nutshell, auditing is comparing *what is* to *what is supposed to be*.

Internal Auditing strengthens the organization's ability to create, protect, and sustain value, and to successfully achieve its objectives. Audit reports provide the governing board, senior executives, and the public with unbiased insight and assurance about reviewed activities, and management's performance and accountability.

The Park District Internal Audit function was established by the Board of Directors. It assists management in design, implementation, and evaluation of the Park District's system of internal control. Through systematic review of the Park District's financial records and transactions, the Internal Audit function provides an independent and objective assurance service that assists the Board and Park District management in monitoring of activities and assessing whether internal controls are functioning properly as planned. Internal Audit alerts management of any potential issues that arise, so that preventive or remedial action may be taken.

The Park District Internal Audit unit is comprised of an Audit Manager and one Accountant. During the 2024 fiscal year they have reviewed 738 contracts and their related amendments and completed a total of 10 audit projects including Measure WW Local Grants. They also assisted with the preparation and evaluation of the Park District RFPs and participated in vendor selection activities. Internal Audit staff were involved in preparation of the Park District Annual Comprehensive Financial Report (ACFR).

Internal Audit staff also prepared the Park District's Annual Financial Transactions Report to State Controller, reviewed the draft Annual Compensation Report prior to submittal to State Controller to ensure its accuracy; performed cash flow management and daily banking activities; and participated in the Central Stores annual physical inventory to ensure safeguarding of Park District assets.

ANALYSIS

The 2025 Internal Audit Work Plan (Attachment A) depicts internal audit projects that were selected based on the level of risk, which is defined as a set of circumstances that may hinder achievement of objectives. A risk-based audit approach helps define and prioritize projects based on their overall financial impact and risk. The Park District leadership's areas of concern that should be considered for an audit is solicited prior to compilation of the Internal Audit Work Plan.

The 2024 Internal Audit Projects Results (Attachment B) details audit observations, recommendations, and management response to our audit recommendations. It also shows some of the other activities that were performed by Internal Audit staff throughout the year.

Based on the results of reviews that were performed in 2024, we believe that the Park District system of internal control is generally functional but should be further strengthened.

FISCAL IMPACT

There is no cost associated with this action.

ATTACHMENTS

- A. 2025 Internal Audit Work Plan
- B. 2024 Internal Audit Projects Results