



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Office of the General Auditor

• General Auditor's Report for January 2025

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended January 31, 2025.

Purpose

Informational

Attachments

None

Detailed Report

Audit & Advisory Projects

Twenty-eight projects are in progress:

- Ten audit projects are in the report preparation phase.
 - Management feedback on one preliminary draft report (Fallowed Land) is over 30 days past due; feedback was requested by 11/15/2024.
 - Management responses are pending for two draft reports issued in December (Employee Tuition Reimbursement and Cybersecurity: Inventory & Control of IT Assets); management responses were due 1/24/2025 (for both).
 - Management feedback on one preliminary draft report (Sensis, Inc.) was received, and the draft report release is expected in February.
- Eighteen projects are in the execution phase, including nine audits and nine advisories.

Work priority is being given to the nine carryforward audits; draft reports have been issued for two of these.

Follow-Up Reviews

Nine audits are in the follow-up phase:

- Seven follow-up reviews are in progress.
- Two follow-up reviews are in planning.

One follow-up review form (Fuel Regulations Compliance) is over 30 days past due; originally due 12/02/24.

Date of Report: February 11, 2025

Board Report (General Auditor's Report for January 2025)

Other General Auditor Activities

1. Global Internal Audit Standards

Evaluation and adoption of the updated standards issued by the Institute of Internal Auditors, effective January 9, 2025, is in progress. Domain III: Governing the Internal Audit Function will be presented at the February meeting of the Audit Subcommittee of the Executive Committee.

2. Internal Quality Assessment

Results of the annual Internal Quality Assessment will be presented at the February meeting of the Audit Subcommittee of the Executive Committee.

3. Annual Risk Assessment

The General Auditor's risk assessment methodology is being refreshed and will be presented at an upcoming meeting of the Audit Subcommittee of the Executive Committee, including solicitation of risk areas and internal control concerns.

4. Annual Audit Plan

Planning is underway for next fiscal year's audit plan including meetings with the Board and Metropolitan senior management. We expect to present the audit plan for Board approval at the June meeting of the Board of Directors.

5. Senior Audit Manager Recruitment

Collaboration with Human Resources continues to fill this critical position.

6. Assistant General Auditor

Kathryn Andrus was promoted to Assistant General Auditor.