



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Board Report

Office of the General Auditor

• General Auditor's Report for February 2025

Summary

This report highlights significant activities of the Office of the General Auditor for the month ended February 28, 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.
 - Two draft reports were issued this month:
 - Contract Audit: Sensis, Inc.; management response is due 3/20/2025
 - Operational Audit: Fallowed Land; management response is due 3/27/2025
 - Two management responses are greater than 30 days past due:
 - Operational Audit: Employee Tuition Reimbursement (was due 1/24/2025)
 - Cybersecurity Audit: Inventory & Control of IT Assets (was due 1/24/2025)
- 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 form was received on-time, one form previously reported as overdue was received, and one form is greater than 30 days past due: Kennedy Jenks Consultants, Inc. (was due 12/2/2024).

Date of Report: March 11, 2025

Board Report (General Auditor's Report for February 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. One component of the new standards applicable to the Board, Domain III: Governing the Internal Audit Function, will be presented as an information item at the April meeting of the Audit Committee.

2. Internal Quality Assessment

Results of the annual Internal Quality Assessment will be presented at the March meeting of the Audit Committee.

3. Annual Risk Assessment

The General Auditor's risk assessment methodology is being refreshed and will be presented at the April meeting of the Audit Committee. Board input on risk areas and internal control concerns will be solicited.

4. Annual Audit Plan

Planning is underway for next fiscal year's audit plan including meetings with Metropolitan senior management. We expect to present the FY 2025/26 audit plan for Board approval at the June meetings of the Audit Committee and Board of Directors.

5. Department Head Collaboration

The General Auditor is participating with the General Manager, General Counsel, and Ethics Officer in facilitated workshops.

6. Senior Audit Manager Recruitment

Collaboration with Human Resources continues to fill this critical position.