



**SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2023**

**CORRECTIVE ACTION PLANS**

**FINANCIAL STATEMENT FINDINGS - CURRENT YEAR**

**2023-001     Timely and Accurate Year-End Close**

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Corrective Action Plan:** Staff continues to evaluate processes and procedures to ensure a more timely and accurate close. Staff turnover has made this difficult; however, critical positions that were vacant within the department have been filled, which has helped alleviate some of these issues. Current staff ultimately understands the critical need for an annual year-end close schedule to ensure that closing entries are done in a timely manner. Staff has compiled a comprehensive and detailed year-end close schedule that assigns roles/responsibilities and timeframes for closing entries, annual filings, information gathering, etc. Further plans include a variance analysis and budget-to-actual comparisons to further identify needed areas of attention. The annual year-end close schedule is being actively used during the FY 24 year-end close process.
- **Anticipated Completion Date:** 10/31/2025

**2023-002     Filing Timely Grant Reimbursement Requests**

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Corrective Action Plan:** Staff recognizes grant reimbursement requests have not been timely. In the past, staff turnover in key positions have left grant management without proper attention. Staff is implementing grant management policies and procedures to ensure reimbursement requests occur timely and are documented thoroughly.
- **Anticipated Completion Date:** 12/31/2025

**2023-003     Payroll Errors and Benefits Documentation**

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Corrective Action Plan:** The Payroll staff is located within the Human Resources Department, not the Finance Department. Hence, it's difficult for Finance staff to have oversight over Payroll staff. However, Finance staff will have regular check-ins with HR regarding Payroll issues. Finance staff will recommend review, approval, and documentation procedures for each pay period for all manual calculations for hourly employee regular or overtime pay rates and retroactive payments.

- **Anticipated Completion Date: 10/31/2025**

**2023-004 Prior Year Material Weaknesses Not Implemented**

- **Name(s) of the contact person: Shay Narayan, Director of Finance**
- **Corrective Action Plan: The corrective action plans for these findings are listed in the separately issued Summary Schedule of Prior Audit Findings for the year ended June 30, 2023:**
  - 2022-001 Timely and Accurate Year End Close
  - 2021-001 Timely and Accurate Year End Close
  - 2021-002 Accurately Adopting and Amending the Annual Budget
  - 2020-001 Timely and Accurate Year End Close
  - 2020-002 Timely Preparation and Approval of Bank Reconciliations
  - 2020-004 Redevelopment Bonds Projects Fund
  - 2019-001 Timely and Accurate Year-End Close
- **Anticipated Completion Date: 10/31/2025**

**2023-005 Retaining Supporting Documentation and Timely Payment of Disbursements**

- **Name(s) of the contact person: Shay Narayan, Director of Finance**
- **Corrective Action Plan:** Given past issues with Finance Department staff and other Department staff complying with the City's Purchasing Policy, there has been a renewed emphasis on following the policy at all levels of the City. In September of 2023, the pages of the Purchasing Policy regarding thresholds for bidding/solicitation, purchase orders and agreements/contracts were updated via Council Approval. Staff is engaging an outside consulting firm to perform a comprehensive review of the whole policy during Fiscal Year 2026. In the interim, with the appointment of a new Accounting Manager during Fiscal Year 2025, overseeing the accounting and purchasing functions, there has been an emphasis on educating Departments on the importance of complying with the Purchasing Policy. In addition, the City has transitioned to fully electronic Purchase Order and AP invoice batch processing. Electronic processing allows for thorough cataloging, and lower risk of losing back-up documentation.

For the tax sharing agreements, staff turnover had resulted in a loss of institutional knowledge regarding the Tax sharing agreements. However, with newer staffing in the Finance Department, payments to Developers, as associated with Tax Sharing agreements, have been as timely as possible since FY 24. No legal or punitive actions have been taken by any developers due to late payments. The City maintains good relationships with these respective developers.

- **Anticipated Completion Date: 08/31/2025**

**2023-006 Investment Reporting and Compliance with Investment Policy**

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Corrective Action Plan:** The quarterly Treasury/Investment report has been more in compliance with the City's Investment Policy during FY 25. Also, the City's Investment Policy was updated during summer of 2024 to align with California Government Code.
- **Anticipated Completion Date:** 08/31/2025

**2023-007 Retention of Retiree Personnel Files to Support Pension and Other Post-Employment Benefits (OPEB) Census Data Files**

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Corrective Action Plan:** The Payroll staff is located within the Human Resources Department, not the Finance Department. Hence, it's difficult for Finance staff to have oversight over Payroll staff. However, Finance staff will have regular check-ins with HR regarding Payroll issues, including Retiree Record keeping. Finance staff will recommend record keeping and documentation procedures for retiree data and OPEB.
- **Anticipated Completion Date:** 10/31/2025

**2023-008 Prior Year Significant Deficiencies Not Implemented**

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Corrective Action Plan:** The corrective action plans for these findings are listed in the separately issued Summary Schedule of Prior Audit Findings for the year ended June 30, 2023:
  - 2022-003 Accurate Calculation of Compensatory Time Hourly Pay Rate in Payroll System
  - 2022-005 Documentation of Review of Changes to Customer and Employee Databases
  - 2022-006 Capitalize Purchases Approved by City Council
  - 2021-004 Purchasing Policy Compliance
  - 2021-005 Using Capital Projects Identifiers for All Projects
  - 2019-004 Finance Personnel Super-User Rights
  - 2017-002 Golf Enterprise Fund Working Capital – Implemented in 2023
  - 2015-002 Timely Review and Approval of Journal Entries
  - 2015-004 Timely Filing of Continuing Disclosure Reports
  - 2014-002 Timely Preparation and Approval of Bank Reconciliations
- **Anticipated Completion Date:** 06/30/2025

**FEDERAL AWARD FINDINGS - CURRENT YEAR****Finding #SA2023-001**  
**Reports****Cash Management and Accuracy of Federal Financial****Assistance Listing Number: 20.507****Assistance Listing Title: COVID-19 – Federal Transit Formula Grants****Name of Federal Agency: Department of Transportation****Federal Award Identification Number: CA-2020-212-00 and CA-2022-083-00**

- **Name(s) of the contact person: Shay Narayan, Director of Finance**
- **Corrective Action Plan:** There was significant turn-over in the Finance Department during the periods where accounting and spending of COVID-19 related grants occurred. There was a lack of monitoring reimbursement claim activities and coordination with the Transit Division on its activities. With the Finance Department being fully staffed with competent talent, these issues should not occur in the future.
- **Anticipated Completion Date: 08/31/2025**