



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENT FINDINGS – PRIOR AUDIT

Finding Reference Number: 2022-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** 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

Finding Reference Number: 2022-002 Prior Year Material Weaknesses Not Implemented

- **Fiscal Year of Initial Finding:** 2019 and 2020
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings:
 - 2020-001 Timely and Accurate Year End Close
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2020-005 Accurate Preparation of the Schedule of Expenditures of Federal Awards
 - 2019-001 Timely and Accurate Year-End Close
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2022-003 Accurate Calculation of Compensatory Time Hourly Pay Rate in Payroll System

- **Fiscal Year of Initial Finding:** 2022
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** Staff will perform a comprehensive analysis of how compensatory time off is calculated in the payroll system. With regards to the one employee that received pay for compensatory time for which staff was not able to recalculate, staff engaged with an outside consulting firm to perform a third-party investigation of the former employee's compensation. The results of the investigation have been provided to the City's external financial auditor.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2022-004 Timely Filing of Form 941

- **Fiscal Year of Initial Finding:** 2022
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Anticipated Completion Date:** Implemented

Finding Reference Number: 2022-005 Documentation of Review of Changes to Customer and Employee Databases

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** City staff will discuss potential review and approval processes and procedures, specifically for changes to customer billing information and changing employee pay rates, to ensure that documentation of the review is made in some formal manner.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2022-006 **Capitalize Purchases Approved by City Council**

- **Fiscal Year of Initial Finding:** 2022
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Shortly after the completion of the Fiscal Year 2022 Audit, Finance staff discussed approaches to track capital asset authorizations by the City Council. Subsequently, Finance staff have started a new process for tracking capital/fixed asset decisions approved by the City Council. As the Finance Director is responsible for reviewing all City Council agenda items that have a fiscal impact, the Finance Director informs the Accounting Division whenever they review an agenda item involving a decision on capital assets. In addition, the Finance Department's Administrative Assistant reviews every City Council meeting agenda for any items that involve a decision on capital assets. This two-fold approach should ensure capturing Council level capital asset changes in the capital assets records.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2022-007 **Prior Year Significant Deficiencies Not Implemented**

- **Fiscal Year of Initial Finding:** 2014, 2015, 2017, 2019 and 2021
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** The Current Status for each of these findings are listed in the separately issued Summary Schedule of Prior Audit Findings for the year ended June 30, 2022:
 - 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
 - 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:** 10/31/2025

Finding Reference Number: SA2022-001: **Schedule of Expenditures of Federal Awards (SEFA) Preparation**

Assistance Listing Number: 14.218, 16.034, 20.205, 20.600, 20.608, 20.616, 97.044, 97.083
Assistance Listing Title: COVID-19 - CDBG – Entitlement Grants Cluster, COVID-19 - Coronavirus Emergency Supplemental Funding Program, Highway Planning and Construction Cluster, Highway Safety Cluster, Minimum Penalties for Repeat Offenders for Driving While Intoxicated, Assistance to Firefighters Grant (AFG) and Staffing for Adequate Fire and Emergency Responses (SAFER)

Name of Federal Agency: Department of Housing and Urban Development, Department of Justice, Department of Transportation and Department of Homeland Security

Pass Through Entity: San Joaquin County Community Development Department, California Department of Transportation and California Office of Traffic Safety

Federal Award Identification Number: A-93-916, 2020-VD-BX-0334, STPL 5242 (031), STPL 5242 (032), HSIPL 5242(033), HSIPL 5242(034), HSIPL 5242 (035), HSIPL 5242 (036), 402PT-21, 405c TR-21, 164 AL-21, 164 AL-22, EMW-2020-FP-00553, and EMW-2018-FH-00543

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Implemented

Finding Reference Number: 2021-001 **Timely and Accurate Year-End Close**

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** See response to finding #2022-001 above.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2021-002 Accurately Adopting and Amending the Annual Budget

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Lana McBroom, Budget Manager
- **Current Status:** During FY 21, all finance management and department heads had turnover. In addition, multiple consultants, department reorganizations, and turnover created an unstable environment where the understanding of what was done for budget and what was needed was not always transferred to the next person. For FY 22, the budget was prepared before June 30, but was subsequently corrected three times, as well as a mid-year budget update after the new Finance Director was hired.

For the FY 23 budget with new management in place, the budget was more stable; however, lacked some basic components such as a comprehensive cost allocation plan, policy updates, long-term financial forecasts, comprehensive fund-level budget schedules, comprehensive information on major revenue sources and spending areas of the General Fund, and information on reserves and fund balances. In addition, there was management changes (including the departure of the Finance Director), other turnover, and a lack of Budget staff leading toward the preparation of the FY 24 budget. This was adopted prior to June 30; however, it was noted that the attributes listed above were missing in the FY 24 Budget as well due to the lack of Budget staff and leadership. As of March of 2025, the Finance Department is fully staffed with the Budget division in particular being fully staffed. The current Finance Director's decision to classify and appoint a Budget Manager, along with his own expertise and experience in Municipal Budgeting resulted in a successful and timely adoption of the FY 25 Annual Budget. The FY 25 Annual Budget received an array of positive feedback from the City Council and City Executive team members. The Fiscal Year 2025 Annual Budget is a vast improvement over the prior two Fiscal Years, and includes all of the attributes mentioned above except for the comprehensive cost allocation plan. Staff is currently reviewing the draft general cost allocation plan with a consulting firm and preparing for implementation.

- **Anticipated Completion Date:** 6/30/2025

Finding Reference Number: 2021-003 Prior Year Material Weaknesses Not Implemented

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings
 - 2020-001 Timely and Accurate Year End Close
 - 2020-002 Timely Preparation and Approval of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2020-005 Accurate Preparation of the Schedule of Expenditures of Federal Awards
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2021-004 Purchasing Policy Compliance

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Agree. 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. A comprehensive review of the whole policy is planned for Fiscal Year 2025. In the interim, with the appointment of a new Deputy Director of Finance during Fiscal Year 2024 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, under the Deputy Director's guidance, 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.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2021-005 Using Capital Projects Identifiers for All Projects

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Lana McBroom, Budget Manager
- **Current Status:** Agree. The City plans to do a review of the CIP policy and update in FY 25 to include internally constructed projects.
- **Anticipated Completion Date:** 12/31/2023

Finding Reference Number: 2021-006 **Prior Year Significant Deficiencies Not Implemented**

- **Fiscal Year of Initial Finding:** 2012, 2014, 2015, 2017, 2019
- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Lana McBroom, Budget Manager
- **Current Status:** The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings.
 - 2019-004 Finance Personnel Super-User Rights
 - 2017-002 Golf Enterprise Fund Working Capital
 - 2015-002 Timely Review and Approval of Journal Entries
 - 2015-003(a) Timely Preparation and Approval of Treasurer's Reports – Implemented in 2022
 - 2015-003(b)iii Investment Reporting and Compliance – Implemented in 2022
 - 2015-004 Timely Filing of Continuing Disclosure Reports
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations
 - 2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: SA2021-001 **Schedule of Expenditures of Federal Awards (SEFA) Preparation**

CFDA Number: 14.218
CFDA Title: COVID-19 - Community Development Block Grants/Entitlement Grants
Name of Federal Agency: Department of Housing and Urban Development
Pass Through Entity: San Joaquin County Community Development Department
Federal Award Identification Number: A-93-916

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Implemented

Finding Reference Number: 2020-001 **Timely and Accurate Year-End Close**

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** See response to finding #2022-001 above.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2020-002 Timely Preparation of Bank Reconciliations

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** During FY 21 through FY 25 staff turnover and lack of cross training caused the Finance Department to be behind. The City has engaged with an outside consultant to help catch-up on Bank Reconciliations. The City has been rapidly catching up on monthly Bank Reconciliations and is on track to process Bank Reconciliations in a timely manner during Fiscal Year 2026.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2020-004 Redevelopment Bonds Projects Fund

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** Agree. Staff recognizes the need to make timely drawdowns of project funds to match eligible expenses. Due to staff turnover this was not completed in the past. In addition, cross training on projects and reconciliation of projects was completed during FY 24. A “catch-up” of drawdowns occurred in FY 24 as well.
- **Anticipated Completion Date:** 06/30/2024

Finding Reference Number: 2020-006 Prior Year Significant Deficiencies Not Implemented

- **Fiscal Year of Initial Finding:** 2019, 2017, 2015 and 2014
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:** The Findings below are unresolved findings from the prior year that are also considered current year findings. The corrective action plans for these findings are listed below in the Summary Schedule of Prior Audit Findings.
 - 2019-004 Finance Personnel Super-User Rights
 - 2019-007 Determine Disposition of Lease Proceeds
 - 2017-002 Golf Enterprise Fund Working Capital
 - 2015-002 Timely Review and Approval of Journal Entries
 - 2015-003(a) Timely Preparation and Approval of Treasurer’s Reports
 - 2015-003(b)iii Investment Reporting and Compliance
 - 2015-004 Timely Filing of Continuing Disclosure Reports
 - 2014-002 Timely Preparation and Approval of Bank Reconciliations

- **Anticipated Completion Date:** 2019-004 is ongoing as the deficiency is related to the ERP provider. 2019-007 through 2015-003(b)iii was resolved as of 02/28/2024. 2015-004 through 2014-002 anticipated to be resolved by 10/31/2025.

Finding Reference Number: 2020-008 Timely Preparation and Approval of Treasurer's Reports

- **Fiscal Year of Initial Finding:** 2020
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:** Implemented

Finding Reference Number: 2019-001 Timely and Accurate Year-End Close

- **Fiscal Year of Initial Finding:** 2019
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** See response to finding #2022-001 above.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2019-003 Prior Year Recommendations Not Yet Implemented

- **Fiscal Year of Initial Finding:** 2012, 2015 and 2017, as noted below
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:**
 - **2017-002 Golf Enterprise Fund Working Capital** – Implemented in 2023.
 - **2015-002 Timely Review and Approval of Journal Entries** - The City has procedures in place for all journal entries to be reviewed before they are posted to the general ledger, and these entries are initialed by the reviewer. Due to staff turnover, the entries were not entered timely. This is also related to the 2023-001 finding with the timely close. As the close management system is being refined, procedures for close will be done on a more regular basis. During FY 24, additional controls have taken place with the closing of each period and using system controls to lock down prior period transactions.
 - **2015-003(b)iii Investment Reporting and Compliance** – Implemented in 2022.
 - **2015-004 Timely Filing of Continuing Disclosure Reports** - The City has contracted out all continuing disclosure reporting. We anticipate this to be a reoccurring issue until such time that the Financial Statements are filed timely, and the required information is available for disclosure.

- **2012-02(a) Internal Controls – Segregation of Duties - Super-User Status in the General Ledger System - See 2019-004 below.**
- **Anticipated Completion Date: 10/31/2025**

Finding Reference Number: 2019-004 Finance Personnel Super-User Rights

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:** Staff understands that super user rights should be limited to a select few and are actively discussing which positions during Fiscal Year 2025. In the interim, regarding granting ERP system permissions and end-user rights, Finance and IT staff have a new process where Finance Staff approve the changes to the end-user rights and permissions and IT staff implement the changes.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2018-001 Prior Year Recommendations Not Yet Implemented

- **Fiscal Year of Initial Finding:** 2012, 2015 and 2017, as noted below.
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:** *See Below*
 - **2017-002 Golf Enterprise Fund Working Capital** – Implemented in 2023.
 - **2015-002 Timely Review and Approval of Journal Entries-** The City has procedures in place for all journal entries to be reviewed before they are posted to the general ledger, and these entries are initialed by the reviewer. Due to staff turnover, the entries were not entered timely. This is also related to the 2023-001 finding with the timely close. As the close management system is being refined, procedures for close will be done on a more regular basis. During FY 24, additional controls have taken place with the closing of each period and using system controls to lock down prior period transactions.

Anticipated Completion Date: Completed as of 2/28/2024

- **2014-002 Timely Preparation and Approval of Bank Reconciliation - See 2020-002**

Anticipated Completion Date: 10/31/2025

Finding Reference Number: 2018-001 Prior Year Recommendations Not Yet Implemented (Continued)

- **2015-004 Timely Filing of Continuing Disclosure Reports** - The City has contracted out all continuing disclosure reporting. We anticipate this to be a reoccurring issue until such time that the Financial Statements are filed timely, and the required information is available for disclosure.

Anticipated Completion Date: 10/31/2025

- **2012-02 Internal Controls – Segregation of Duties –**
 - a. See 2019-004
 - b. Implemented.
 - c. Implemented

Anticipated Completion Date: 10/31/2025

Finding Reference Number: 2017-002 Golf Enterprise Fund Working Capital

- **Fiscal Year of Initial Finding:** 2017
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:** Implemented.

Finding Reference Number: 2015-002 Timely Review and Approval of Journal Entries

- **Fiscal Year of Initial Finding:** 2015
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** The City has procedures in place for all journal entries to be reviewed before they are posted to the general ledger, and these entries are initialed by the reviewer. Due to staff turnover, the entries were not entered timely. This is also related to the 2023-001 finding with the timely close. As the close management system is being refined, procedures for close will be done on a more regular basis. During FY 24, additional controls have taken place with the closing of each period and using system controls to lock down prior period transactions.
- **Anticipated Completion Date:** Implemented as of 2/28/2024

Finding Reference Number: 2015-004 Timely Filing of Continuing Disclosure Reports

- **Fiscal Year of Initial Finding:** 2015
- **Name(s) of the contact person:** Shay Narayan, Finance Director

- **Current Status:** The City has contracted out all continuing disclosure reporting. We anticipate this to be a reoccurring issue until such time that the Financial Statements are filed timely, and the required information is available for disclosure.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2014-002 Timely Preparation and Approval of Bank Reconciliation

- **Fiscal Year of Initial Finding:** 2014
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** See 2020-002.
- **Anticipated Completion Date:** 10/31/2025

Finding Reference Number: 2012-02 Internal Controls – Segregation of Duties

- **Fiscal Year of Initial Finding:** 2012
- **Name(s) of the contact person:** Shay Narayan, Finance Director
- **Current Status:**
 - Super-User Status in the General Ledger System – see 2019-004
 - Reviewing Changes to Vendor Database - Implemented.
 - Reviewing Changes to Employee Database - Implemented.
- **Anticipated Completion Date:** 10/31/2025

FEDERAL AWARD FINDINGS – PRIOR AUDIT

Finding #SA2022-002: Timely Submission of Financial and Performance Reports

Assistance Listing Number 97.083
Assistance Listing Title Staffing for Adequate Fire and Emergency Responses (SAFER)
Name of Federal Agency Department of Homeland Security
Federal Award Identification number: EMW-2018-FH-00543

- **Name(s) of the contact person:** Shay Narayan, Director of Finance

Current Status: Financial reports (SF-425) are required to be submitted semi-annually within 90 days of the reporting period end and performance and progress reports are required to be submitted within 30 days of the reporting period end.

- **Anticipated Completion Date:** Implemented as of 9/4/2024

Finding #SA2022-003 Compliance with Grant Management Deadlines

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: 68-0281986

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Implemented

Finding #SA2022-004 Compliance with Grant Reporting Deadlines

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: 68-0281986

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Implemented

Finding #SA2022-005 Suspension and Debarment Documentation for Contracts and Subcontracts

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: 68-0281986

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Implemented

Finding #SA2022-006 Compliance with Grant Documentation Requirements

Assistance Listing Number: 21.027
Assistance Listing Title: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
Name of Federal Agency: Department of Treasury
Pass Through Entity: California State Water Resources Control Board
Federal Award Identification Number: 68-0281986

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** The City will develop procedures to ensure all documentation is provided. The City is not aware of any documentation or request from the grantor to return any of these funds.
- **Anticipated Completion Date:** Implemented as of 6/30/2024

Finding #SA2022-007: Cash Management

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - Community Development Block Grants/Entitlement Grants
Name of Federal Agency: Department of Housing and Urban Development
Pass Through Entity: San Joaquin County Community Development Department
Federal Award Identification Number: A-93-916

- **Fiscal Year of Initial Finding:** 2021
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** The funding for this fiscal year was managed by a City staff member who is no longer with the City of Manteca. Based on a review of the files and discussions with County personnel, the City staff was initially handling reimbursement requests on a quarterly basis. However, the City was not up to date with the drawdown process or procedures. There were several factors that contributed to this delay, with the main one being the impact of COVID-19 and staff turnover.”
- **Anticipated Completion Date:** 06/30/2025

Finding #SA2022-008: Accurate Review and Payment of Vendor Reimbursement Requests

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - Community Development Block Grants/Entitlement Grants
Name of Federal Agency: Department of Housing and Urban Development
Pass Through Entity: San Joaquin County Community Development Department
Federal Award Identification Number: A-93-916

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** The CDBG funding for this fiscal year was managed by a prior City staff who is no longer with the City of Manteca and it is unclear if they indicated any funds needed to be returned based on this finding. Supporting documents under the prior employee’s files have been provided for

the CDBG-CV. The City is not aware of any documentation or request from the grantor to return any of these funds.

- **Anticipated Completion Date:** 06/30/2025

Finding Reference Number #SA2021-003: Pro-Rating Annual Payroll Costs Charged to Grant

Assistance Listing Number: 21.019
Assistance Listing Title: COVID-19 - Coronavirus Relief Fund
Name of Federal Agency: Department of Treasury
Pass Through Entity: California Department of Finance
Federal Award Identification Number: 390

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Now that payroll services and the budget division are both fully staffed, the City will be able to develop procedures that will ensure personnel budgets and costs are accurately pro-rated and allocated to the appropriate funding source. Additionally, the City expects to have sufficient staffing to work more closely with grantors make certain that all eligible costs are accounted for. The City is not aware of any documentation or request from the grantor to return any of these funds.
- **Anticipated Completion Date:** 06/30/2025

Finding #SA2021-004: Allowable Subrecipient and Contract Costs

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - Community Development Block Grants/Entitlement Grants
Name of Federal Agency: Department of Housing and Urban Development
Pass Through Entity: San Joaquin County Community Development Department
Federal Award Identification Number: A-93-916

- **Name(s) of the contact person:** Shay Narayan, Director of Finance
- **Current Status:** Due to turnover in City staff, new steps have been taken in the processing of this grant and subgrant reimbursements. The process involves the following steps:
 1. Review the grant/subgrant agreements to understand and confirm the reimbursement guidelines and review eligible expenses.
 2. Review the expenditures for reimbursement to ensure they align with eligible expenses. This includes all supporting documents have been reviewed and confirmed.
 3. Prepare reimbursement request for grantor agency that shows breakdown of expenses; total reimbursed requested amount, and attached all relevant supporting documents.
 4. Final Internal review before submission. Ensure accuracy before submittal.
- **Anticipated Completion Date:** 10/31/2025

Finding #SA2021-005: Cash Management

Assistance Listing Number: 14.218
Assistance Listing Title: COVID-19 - Community Development Block Grants/Entitlement Grants

Name of Federal Agency: Department of Housing and Urban Development
Pass Through Entity: San Joaquin County Community Development Department
Federal Award Identification Number: A-93-916

- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status and Anticipated Completion Date:** See Finding #SA2022-007 above.

Finding Reference Number: 2018-001 Review and Accuracy of Federal Financial Reports and Reimbursement Requests

CFDA number: 20.507
CFDA Title: Federal Transit – Formula Grants (Urbanized Area Formula Program)
Name of Federal Agency: Department of Transportation - Federal Transportation Administration
Federal Award Identification Number: CA-2016-104-00, CA-90-Z172-00

- **Fiscal Year of Initial Finding:** 2018
- **Name(s) of the contact person:** Director Shay Narayan
- **Current Status:** 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

Finding Reference Number: 2018-002 Timely Filing and Accuracy of Federal Financial Reports

CFDA number: 20.507
CFDA Title: Federal Transit – Formula Grants (Urbanized Area Formula Program)
Name of Federal Agency: Department of Transportation - Federal Transportation Administration
Federal Award Identification Number: CA-2016-104-00, CA-90-Z172-00

- **Fiscal Year of Initial Finding:** 2018
- **Name(s) of the contact person:** Melissa Munoz, Accounting Manager
- **Current Status:** Implemented