



**SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2022**

CORRECTIVE ACTION PLANS

FINANCIAL STATEMENT FINDINGS - CURRENT YEAR

2022-001 Timely and Accurate Year-End Close

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **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, additional positions were added to the department which should help alleviate some of these issues. In addition, Finance implemented a more formalized close process and close management software which will be in effect during FY 23. This software has helped Finance during the review and reconciliations of each balance sheet account. Beyond the software helping with balance sheet reconciliations, 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 is currently working on a comprehensive and detailed year-end close schedule that will assign roles/responsibilities and time-frames 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.
- **Anticipated Completion Date:** 10/31/2024

2022-002 Prior Year Material Weaknesses Not Implemented

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy 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, 2022:
 - 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:** 10/31/2024



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2022-003 Accurate Calculation of Compensatory Time Hourly Pay Rate in Payroll System

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** 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 were not able to recalculate, staff is researching further as to how this employee's compensation was calculated.
- **Anticipated Completion Date:** 10/31/2024

2022-004 Timely Filing of Form 941

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** Due to staff turnover and overall staffing/workload constraints, Form 941 was not filed in a timely manner in the past. However, with the Finance Department now being nearly fully staffed, annual filings such as Form 941 should be timely moving forward.
- **Anticipated Completion Date:** 10/31/2024

2022-005 Documentation of Review of Changes to Customer and Employee Databases

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** 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:** 10/31/2024

2022-006 Capitalize Purchases Approved by City Council

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** 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



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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:** 10/31/2024



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2022-007 Prior Year Significant Deficiencies Not Implemented

- **Name(s) of the contact person:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy 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, 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:** 10/31/2024

Finding #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; Carmen Gusman, Deputy Director of Finance

- **Corrective Action Plan:** Staff will review the procedures related to preparing the schedule of expenditures of federal awards including having additional staff members designated to confirming expenses are being applied to the correct grant project and reported appropriately. The SEFA effort will now be a collaborative effort between the Accounting



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Division and Budget Division. There are new written procedures being reviewed for grant tracking/reporting that should be help with completing the SEFA more accurately moving forward.

- **Anticipated Completion Date:** 06/30/2024



FEDERAL AWARD FINDINGS - CURRENT YEAR

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; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City is implementing procedures to ensure timely submission of Financial and Performance Reports.
- **Anticipated Completion Date:** 10/30/24

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; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City is implementing procedures for grant management, accounting, and reporting to ensure that only allowable costs are claimed and have proper support, and reimbursements include all allowable costs and support. Enhanced collaboration between the Finance Department and other Departments, especially regarding agreed upon procedures for Federal Grants record keeping, will help with timely and accurate submissions of reimbursement claims and reporting. Finance staff is currently reviewing a draft procedures document which comprehensively outlines the City’s responsibilities for administrating Federal Grants. Once City Departments begin utilizing the procedures document, the timeliness and accuracy of filing and reporting should improve.
- **Anticipated Completion Date:** 12/31/24



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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; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City is implementing procedures to ensure all Grant reporting's are filed on time. Enhanced collaboration between the Finance Department and other Departments, especially regarding agreed upon procedures for Federal Grants record keeping, will help with timely and accurate submissions of reimbursement claims and reporting. Finance staff is currently reviewing a draft procedures document which comprehensively outlines the City's responsibilities for administrating Federal Grants. Once City Departments begin utilizing the procedures document, the timeliness and accuracy of filing and reporting should improve.
- **Anticipated Completion Date:** 12/31/24

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; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City will develop procedures to ensure all documentation is provided for contracts and subcontracts.
- **Anticipated Completion Date:** 06/30/24



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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; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City will develop procedures to ensure all documentation is provided
- **Anticipated Completion Date:** 06/30/24

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:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance
- **Corrective Action Plan:** The City will develop procedures to ensure all grant-funded expenditures are included on drawdown request and prepared quarterly. Finance staff plan to have regular check-ins with department staff administering federal grants to obtain status updates on expenditures and drawdowns, and reconcile activities accordingly.
- **Anticipated Completion Date:** 10/30/24

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:** Shay Narayan, Director of Finance; Carmen Gusman, Deputy Director of Finance



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- **Corrective Action Plan:** The City will develop procedures to ensure accurate review and payment of vendor reimbursement requests, including providing training to administrative staff as necessary.
- **Anticipated Completion Date:** 06/30/24