



**SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024**

CORRECTIVE ACTION PLANS

FINANCIAL STATEMENT FINDINGS - CURRENT YEAR

2024-001 Timely and Accurate Year-End Close

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **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 understand 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, and other tasks. 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 2024 year-end close process. Staff is working to ensure this finding is completed for the FY 2025 year end close.
- **Anticipated Completion Date:** 12/31/2025

2024-002 Accurate Preparation of the Schedule of Expenditures of Federal Awards

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City is working to establish a grant policy and procedure to ensure grants are captured and tracked accurately. The City has begun working with the departments and provided grant training on the necessary documents and grant-related processes. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented for Fiscal Year 2025 and completed in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

2024-003 Prior Year Material Weaknesses Not Implemented

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **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, 2024:
 - 2023-001 Timely and Accurate Year End Close
 - 2023-002 Filing Timely Grant Reimbursement Requests
 - 2023-003 Payroll Errors and Benefits Documentation
 - 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 of Bank Reconciliations
 - 2020-004 Redevelopment Bonds Projects Fund
 - 2019-001 Timely and Accurate Year-End Close
- **Anticipated Completion Date:** 12/31/2025

2024-005 Fee Calculation Errors and Retaining Supporting Documentation

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** The City recognizes the auditor's observation regarding the importance of accurate fee calculations and timely communication of fee schedule updates. The City recognizes that fee errors and a lack of supporting documentation can create inconsistencies in revenue collection and accountability. Since the time of the noted findings, the City has taken the following corrective measures:

Fee Update Notifications: The Development Services Department and Finance Department continue to improve internal communications and provide timely notifications to ensure that all fee changes adopted by the City Council are communicated promptly to all relevant staff and entered into the permit billing system without delay.

System Configuration and Controls: Staff worked with the City's permit software vendor to review all fee tables and configurations to ensure they accurately reflect current Council-approved fee schedules, including minimum fees for State-mandated programs such as SMIP. Where manual calculations are necessary, staff have established a secondary review step to confirm accuracy.

Subdivision and Agricultural Mitigation Fee Procedures: Staff has revised the Agricultural Mitigation Fee calculation process to ensure consistency across all units in a subdivision. This method eliminates discrepancies when permits are pulled in groups. Further, an additional review of the standard subdivision fees has been implemented.

Training and Quality Review: Development Services staff continue to receive refresher training on the importance of fee accuracy, fee schedules, supporting documentation, and how to assess fees. In addition, the City has implemented supervisory review of complex or unusual permit fee calculations prior to issuance.

ATTACHMENT 3

Supporting Documentation Retention: The City has standardized procedures requiring that all receipts be retained in the permit record to provide clear support for amounts charged and collected.

Corrective Billing: For the undercharged Storm PFIP Zone 32 fee, the City has issued an invoice to the developer for the difference, which must be paid before the Certificate of Occupancy is issued, ensuring the City recovers the correct fee amount. The City remains committed to strengthening internal controls, enhancing communication, and ensuring that all fees are assessed and collected in strict accordance with Council-approved schedules.

- **Anticipated Completion Date:** 12/31/2025

2024-006 Prior Year Significant Deficiencies Not Implemented

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **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, 2024:
 - 2023-005 Retaining Supporting Documentation and Timely Payment of Disbursements
 - 2023-006 Investment Reporting and Compliance with Investment Policy
 - 2023-007 Retention of Retiree Personnel Files to Support Pension and Other Post Employment Benefits (OPEB) Census Data Files
 - 2022-005 Documentation of Review of Changes to Customer and Employee Databases
 - 2021-004 Purchasing Policy Compliance
 - 2019-004 Finance Personnel Super-User Rights
 - 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:** 12/31/2025

FEDERAL AWARD FINDINGS - CURRENT YEAR**Finding #SA2024-001 Cash Management and Accuracy of Federal Financial Reports**

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-2022-083-00

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** Staff recognize that drawdown requests have not been submitted timely and/or accurately in the past. Critical positions that were vacant within the department have been filled, which has helped alleviate some of these issues. Current staff understands the importance of accurate and timely drawdown requests. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 06/30/2026

Finding #SA2024-002 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: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** City staff understands the importance of keeping all grant documentation and ensuring the grant guidelines are followed. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2024-003**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: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** Staff recognize that reporting requests have not been submitted timely and/or accurately in the past. Critical positions that were vacant within the department have been filled, which has helped alleviate some of these issues. Current staff understands the importance of accurate and timely drawdown requests. The City is in the development phase of the grant policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026. Additionally, staff will be attending a Grant Management training in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026

Finding #SA2024-004**Compliance with Procurement 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: A-00216-01

- **Name(s) of the contact person:** Melissa Munoz, Interim Assistant Finance Director
- **Corrective Action Plan:** Staff recognize that importance of following the current purchasing policy and retaining the proper records. Finance staff are working with the departments to ensure the documentation is being attached to all purchases and retained electronically. Critical positions that were vacant within the department have been filled, which has helped alleviate some of these issues. The City is in the development phase of the purchasing policy and is actively working with a consultant on the policy. This policy will be partially implemented in Fiscal Year 2026.
- **Anticipated Completion Date:** 6/30/2026