Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
October 8, 2019
Regular Meeting - 9:30 to 10:45 AM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the September 24, 2019 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. City Manager Department

SUBJECT: City of Oxnard Internal Audit Annual Work Plan Proposal for FY2018/2019 and FY2019/2020. (10/5/5)

RECOMMENDATION: That the Finance and Governance Committee recommends that City Council:

1. Ratify the Internal Auditor Annual Work Plan Proposal for 2018/2019; and
2. Ratify the Internal Auditor Annual Work Plan Proposal for 2019/2020.

Contact: Shiri Klima, (805) 385-7487

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

2. City Manager Department

   SUBJECT: City of Oxnard Internal Audit Department Whistleblower Summary Update. (5/5/5)

   RECOMMENDATION: That the Finance and Governance Committee recommends that City Council receive and file the Internal Auditor Update on Whistleblower Matters.

   Contact: Shiri Klima, (805) 385-7487

3. City Manager Department

   SUBJECT: Internal Auditor's Contract Amendment and Resolution. (5/5/5)

   RECOMMENDATION: 1. That the Finance and Governance Committee recommends that City Council authorize and the Mayor execute a First Amendment with Price Paige and Company to amend required protocols; and

   2. That the Finance and Governance Committee recommends that City Council adopt a resolution delegating to the Finance and Governance Committee and its Chair (and in limited circumstances, the City Manager or City Attorney) oversight and coordination of Internal Auditor services, and amending the Whistleblower Hotline Policy.

   Contact: Shiri Klima, (805) 385-7487

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

M I N U T E S
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
September 24, 2019

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 9:32 a.m., Chair Flynn called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Gabriela Basua, Bert Perello, and Chair Tim Flynn were present.

Staff members present were Alexander Nguyen, City Manager; Stephen Fischer, City Attorney; Shiri Klima, Deputy City Manager; Kevin Riper, Chief Financial Officer; Donna Ventura, Assistant Chief Financial Officer; Phillip Molina, City Treasurer; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Ray Blattel (employee benefits).

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.
   RECOMMENDATION: That the Finance and Governance Committee approve the minutes of the September 10, 2019 regular meeting as presented.

It was moved by Member Perello, seconded by Member Basua, to approve the minutes as presented. VOTE: Basua, Flynn, and Perello voted in favor; the motion carried 3-0.

D. REPORTS

Finance Department

1. SUBJECT: Preview of "Municipal Budgeting 101" presentation for City Council.
   RECOMMENDATION: That the Finance and Governance Committee receive a preview of, and provide feedback on, the "Municipal Budgeting 101" presentation for the City Council to be presented at the October 29, 2019, Council special meeting.

The Chief Financial Officer, Assistant Chief Financial Officer, and City Treasurer gave a report. Public comments were received from Ray Blattel. Discussion ensued among the Committee and staff. No action was required.

E. ITEMS FOR FUTURE AGENDAS

Chair Flynn requested a future item on implementing priority-based budgeting, emphasizing the need for Council involvement in setting the priorities.

DRAFT

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Flynn adjourned the meeting at 10:45 a.m.

MICHELLE ASCENCION, CMC City Clerk	TIM FLYNN Chair

DRAFT

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1.

DATE: October 8, 2019

TO: Finance & Governance Committee

FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org

SUBJECT: City of Oxnard Internal Audit Annual Work Plan Proposal for FY2018/2019 and FY2019/2020. (10/5/5)

RECOMMENDATION

That the Finance and Governance Committee recommends that City Council:
1. Ratify the Internal Auditor Annual Work Plan Proposal for 2018/2019; and
2. Ratify the Internal Auditor Annual Work Plan Proposal for 2019/2020.

BACKGROUND

The Internal Audit Department of the City of Oxnard conducted a City-wide risk assessment of the City's operations during September 2017, and that risk assessment is updated annually to reflect additional information that is received throughout the year. The annual audit work plan proposal is presented to the Finance and Governance Committee and requires ratification from City Council.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Objective 1a. Ensure the 128 recommendations outlined in the organizational assessment are implemented through the 3 phased implementation action plans adopted by Council in July, 2015 and provide periodic reports to Council on the status of the implementation plans.

Objective 1b. Establish an Internal Audit Program to complete performance audits of identified programs to ensure compliance with state and federal law and that Council policy is adhered to.

Objective 1c. Develop written procedures to address Internal Control recommendations from Auditor.

FINANCIAL IMPACT

The City-wide Risk Assessment is designed to identify key areas of focus within the departments of the City of

Oxnard to help reduce potential fraud, waste or abuse of resources of the City which can be substantial.

Prepared by: Henry Oum, Price Paige & Co.

ATTACHMENTS

1. Internal Auditor's Annual Work Plan FY 2018-19
2. Internal Auditor's Annual Work Plan FY 2019-20
3. City of Oxnard Internal Audit Activities (FY2019)
4. City of Oxnard Internal Audit Estimated Activities(FY2020)
5. Internal Audit Work Plan FY2020 Presentation

City of Oxnard Internal Audit Department
High Risk Areas for Audit Consideration
Updated September 2018

Department	Specific Risks (does not mean controls are not in place)	Response	Timing	Likelihood	Significance
City-wide (transactions to be tested across all City Departments):					
Accounts Payable	Fictitious vendors	IDEA	Annual	Medium	High
	Fraudulent disbursements	IDEA	Annual	Medium	High
	Duplicate payments	IDEA	Annual	Medium	High
	Invoices exceeding purchase order amounts	IDEA	Annual	Medium	High
	City issued credit cards	Potential IA	1st Qtr 2019	High	High
	Travel expenses/Employee expense reimbursements	Potential IA	1st Qtr 2019	High	High
Accounts Receivable and Billings	Misappropriation of cash receipts (permits, uitilities, other fees)	Potential IA	4th Qtr 2018	High	Medium
	Improper utility billing	External Audit	Annual	Medium	Medium
Purchasing	Noncompliance with bid policies	Potential IA	4th Qtr 2018	High	Medium
	Bid splitting	Potential IA	4th Qtr 2018	High	Medium
	Sole source contracts	Potential IA	4th Qtr 2018	High	Medium
Payroll/HR	Ghost employees	IDEA	Annual	Medium	Medium
	Excessive overtime	IDEA / IA Work Plan	4th Qtr 2017	High	High
	Improper classification of pay for PERS purposes	Potential IA	1st Qtr 2019	Medium	Medium
City of Oxnard Major Departments					
Federal and State Programs	Unallowable expenditures for major and/or material programs	External Audit	Annual	Medium	Medium
Fire Department	Overtime analysis	IA Work Plan	4th Qtr 2017	High	High
Police Department	Overtime analysis	IA Work Plan	4th Qtr 2017	High	High
	Handling of confiscated cash and other assets	Potential IA	1st Qtr 2019	Medium	Low
Public Works:					
Water	Inventory theft	Potential IA	2nd Qtr 2019	High	Low
Wastewater	Inventory theft	Potential IA	2nd Qtr 2019	High	Low
Environmental Services	Misappropriation of cash receipts	Potential IA	4th Qtr 2018	Medium	Low
	Inventory theft	Potential IA	2nd Qtr 2019	High	Low
Fleet	Inventory theft	Potential IA	2nd Qtr 2019	High	Low
Program Specific Audits					
Golf Course	Performance audit	IA Work Plan	1st Qtr 2018	Medium	Medium
Performing Arts & Convention Center	Performance audit	IA Work Plan	2nd Qtr 2018	Medium	Medium
City Corp	Performance audit	IA Work Plan	1st Qtr 2018	Medium	Medium

Legend:
IDEA - Data analysis software
EA - External Auditor

City of Oxnard Internal Audit Department
High Risk Areas for Audit Consideration
Updated September 2019

Department	Specific Risks (does not mean controls are not in place)	Response	Timing	Anticipated Completion Date	Likelihood	Significance
City-wide (transactions to be tested across all City Departments):						
Accounts Payable	Fictitious vendors	IDEA	Annual	3/31/2020	Medium	High
	Fraudulent disbursements	IDEA	Annual	3/31/2020	Medium	High
	Duplicate payments	IDEA	Annual	3/31/2020	Medium	High
	Invoices exceeding purchase order amounts	IDEA	Annual	3/31/2020	Medium	High
	City issued credit cards	Potential IA	1st Qtr 2020	2/28/2020	High	High
	Travel expenses/Employee expense reimbursements	Potential IA	1st Qtr 2020	2/28/2020	High	High
Accounts Receivable and Billings	Misappropriation of cash receipts (permits, utilities, other fees)	Potential IA	3rd Qtr 2020	12/31/2020	High	Medium
	Improper utility billing	External Audit	Annual	N/A	Medium	Medium
Purchasing	Noncompliance with bid policies	Potential IA	3rd Qtr 2020	12/14/2020	High	Medium
	Bid splitting	Potential IA	3rd Qtr 2020	12/14/2020	High	Medium
	Sole source contracts	Potential IA	3rd Qtr 2020	12/14/2020	High	Medium
Payroll/HR	Ghost employees	IDEA	Annual	3/31/2020	Medium	Medium
	Excessive overtime	IDEA / IA Work Plan	In progress	11/15/2019	High	High
	Improper classification of pay for PERS purposes	Potential IA	3rd Qtr 2020	12/31/2020	Medium	Medium
City of Oxnard Major Departments						
Federal and State Programs	Unallowable expenditures for major and/or material programs	External Audit	Annual	N/A	Medium	Medium
Fire Department	Overtime analysis	IA Work Plan	In progress	11/15/2019	High	High
Police Department	Overtime analysis	IA Work Plan	In progress	11/15/2019	High	High
	Handling of confiscated cash and other assets	Potential IA	4th Qtr 2020	2/28/2021	Medium	Low
Public Works:						
Water	Inventory theft	Potential IA	4th Qtr 2020	2/28/2021	High	Low
Wastewater	Inventory theft	Potential IA	4th Qtr 2020	2/28/2021	High	Low
Environmental Services	Misappropriation of cash receipts	Potential IA	Completed	9/30/2019	Medium	Low
	Inventory theft	Potential IA	4th Qtr 2020	2/28/2021	High	Low
Fleet	Inventory theft	Potential IA	4th Qtr 2020	2/28/2021	High	Low
Program Specific Audits						
Golf Course	Performance audit	IA Work Plan	In progress	12/31/2019	Medium	Medium
Performing Arts & Convention Center	Performance audit	IA Work Plan	Completed	9/13/2019	Medium	Medium
City Corp	Performance audit	IA Work Plan	In progress	10/31/2019	Medium	Medium

Legend:
IDEA - Data analysis software
EA - External Auditor

Note: The anticipated completion date is dependent upon the acceptance of the internal audit work plan by the Finance and Governance Committee and the City's ability to provide information as requested.

City of Oxnard
Internal Audit Department Summary of Project Amounts
Fiscal Year Ended June 30, 2019

Scope of Work for Year 2 (Year Ended June 30, 2019):		
PACC	$	11,965
City Corp		7,045
Golf Course		2,475
Risk Assessment		2,260
Overtime		15,790
Basic Audit Services		18,335
Environmental Resources		49,980
Total Anticipated Internal Audit Work for Year 2		**107,850**
Whistblower Program and Investigations		**14,630** (2)
Total Internal Audit Budget for FY2019		**$ 122,480**

(2) Per our contract, matters investigated once predictation has been established will be in addition to the internal audit scope of services and is not included in the anticipated work for year-end. If matters are not investigated, the budget will remain unused.

Note: Our estimation of the cost for these projects is based on our past experience in conducting these types of audit and it is highly dependent on the City's ability to provide timely information in a format that facilitates an efficient review. Should issues or other challenges arise, it may change the scope of our review and budget.

City of Oxnard
Internal Audit Department Summary of Project Budgets
Fiscal Year Ending June 30, 2020

Anticipated Scope of Work for Year 3 (Year Ending June 30, 2020):		
PACC	$	10,000
City Corp		12,000
Golf Course		15,000
Overtime		15,000
Basic Audit Services		15,000
Environmental Resources		7,500
Recommended Internal Audit Projects from Risk Assessment Audit Work Plan:		
IDEA Warrant/Disbursement and Payroll Analysis		45,000
Credit Card and Travel Reimbursements		20,000
Total Anticipated Internal Audit Work for Year 3		**139,500**
Whistblower Investigations		**50,000** (2)
Total Projected Internal Audit Budget for FY2020		**$ 189,500**

(2) Per our contract, matters investigated once predictation has been established will be in addition to the internal audit scope of services and is not included in the anticipated work for year-end. If matters are not investigated, the budget will remain unused.

Other Internal Audit Projects from Risk Assessment Audit Work Plan:		
Purchasing/procurement (compliance, bid splitting, sole source)	$	30,000
Accounts receivable and billings (misappropriation of cash receipts, permits, utilities)	$	27,500
Payroll/HR (improper classification of pay for PERS purposes)	$	20,000

Note: Our estimation of the cost for these projects is based on our past experience in conducting these types of audit and it is highly dependent on the City's ability to provide timely and information in a format that facilitates an efficient review. Should issues or other challenges arise, it may change the scope of our review and budget.

City of Oxnard Internal Audit Annual Workplan FY2020

PRICE PAIGE & COMPANY
Accountancy Corporation

Presented by:
Internal Audit Department of the City of Oxnard

Internal Audit Department Annual Workplan for FY2020

- The IA conducted a City-wide risk assessment during FY2018 and developed a targeted work plan for different City Departments and areas of focus
- The risk assessment considers the City's operating budget, prior external audit reports, risk management assessments and interviews with executive and department level management.
- Factors used to evaluate the risks include both the likelihood and significance
- Identified areas of focus or departments does not mean that controls are not in place or that issues have been identified.

Internal Audit Department Annual Workplan for FY2020

- This process is subject to continuous updates and revisions based on new information received through various means
- No significant revisions were made to the prior City-wide risk assessments from the prior year
- The risk assessment may not include matters that have come to our attention through the whistleblower program which are investigated separately

Internal Audit Department Annual Workplan for FY2020

- Current protocol requires that the Finance and Governance Committee accept the proposed work plan and it is ratified by City Council

Proposed Audit Workplan for FY2020

- Focus on transaction classes that have high volume
- Focus on transaction classes that may be subject to higher risk of fraud, waste or abuse
- Transactions that are broad and pervasive to all Departments within the City

Proposed Audit Workplan for FY2020

- IDEA Analysis
  - IDEA is the name of the sophisticated data analysis software used to analyze a significant amount of data
  - Cross checks information obtained from different sources
  - Quickly identifies anomalies in a set of data

Proposed Audit Workplan for FY2020

- IDEA Analysis
  - Key tests for warrants/disbursements include identification of:
    - Potential fictitious vendors
      - Vendors with incomplete information in accounting system
    - Potential fraudulent disbursements
      - Excessive warrants to employees or a vendor
      - Benford's Law analysis on warrants to identify anomalies
      - Duplicate vendor payments

Proposed Audit Workplan for FY2020

- IDEA Analysis
  - Key tests for warrants/disbursements include identification of:
    - Potential conflict of interests
      - Employees and vendors with matching addresses or telephone numbers
    - Procurement process
      - Bid splitting to avoid procurement policies
      - Purchase orders originated after business hours

Proposed Audit Workplan for FY2020

- IDEA Analysis
  - Key tests for warrants/disbursements include identification of:
    - Warrants written to “CASH”
    - Gaps in check numbers

Proposed Audit Workplan for FY2020

- IDEA Analysis
  - Key tests for payroll and related include identification of:
    - Potential conflict of interests
      - Employees and vendors with matching addresses or telephone numbers
    - Duplicate employees in the payroll system
    - Multiple direct deposits made to the same account
    - Employees with gross salary less than net salary
    - Employees with only PO Box addresses
    - Employees with excessive vacation carryovers

Proposed Audit Workplan for FY2020

- Credit Card and Travel Reimbursement Testing
  - Identify higher risk transactions due to potential personal use of cards and personal travel reimbursements
  - Evaluate the controls related to the usage and approval of credit cards
  - Review appropriate documentation with credit card charges
  - Review appropriateness of travel related charges and reimbursements

Proposed Audit Workplan for FY2020

- Purchasing and Procurement
  - Evaluate the purchasing and procurement process
  - Determine potential non-compliance with bid policies
  - Determine if there are any instances of bid-splitting
  - Review the appropriateness of awarding sole-source contracts

Proposed Audit Workplan for FY2020

- Estimated Costs for Audits:

IDEA Analysis	$45,000
Credit cards and travel	20,000
Purchasing/Procurement	30,000

*These amounts are anticipated costs based on our prior experience in conducting these audits. The ultimate costs will depend on the condition of the City's financial records and the City's ability to provide information as requested.

Internal Audit Department Annual Workplan for FY2020

Questions and comments?

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CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2.

DATE: October 8, 2019

TO: Finance & Governance Committee

FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org

SUBJECT: City of Oxnard Internal Audit Department Whistleblower Summary Update. (5/5/5)

RECOMMENDATION

That the Finance and Governance Committee recommends that City Council receive and file the Internal Auditor Update on Whistleblower Matters.

BACKGROUND

The Internal Audit Department of the City of Oxnard established various mechanisms for employees and residents of the City to report potential fraud, waste or abuse. Those mechanisms include a whistleblower hotline and a web page on the City's website for online submissions as well as email complaints to the Internal Audit staff. The Internal Audit staff will conduct investigations on allegations and complaints received in accordance with the program guidelines. The Internal Audit Department will report to the City Council's Finance and Governance Committee on a periodic basis depending on the volume of complaints received.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Objective 1a. Ensure the 128 recommendations outlined in the organizational assessment are implemented through the 3 phased implementation action plans adopted by Council in July, 2015 and provide periodic reports to Council on the status of the implementation plans.

Objective 1b. Establish an Internal Audit Program to complete performance audits of identified programs to ensure compliance with state and federal law and that Council policy is adhered to.

Objective 1c. Develop written procedures to address Internal Control recommendations from Auditor.

FINANCIAL IMPACT

The whistleblower program is designed to help reduce potential fraud, waste or abuse of resources of the City

which can be substantial.

Prepared by: Henry Oum, Price Paige & Co.

ATTACHMENTS

1. Whistleblower Program Summary through 9.17.2019

September 17, 2019

From: Internal Auditors (Price Paige & Company)
To: Fiscal Policy Task Force of the City of Oxnard

City of Oxnard Whistleblower Activity Report

Whistleblower Information

The City of Oxnard Whistleblower Policy authorizes the Internal Auditor (also referred to as Price Paige & Company) to receive complaints from city employees and members of the public who wish to report an improper governmental action. An "improper governmental action" is defined as “any activity by a local agency or employee that is undertaken in the performance of the employee’s official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct”. The complaints received by the Internal Auditor shall remain confidential, and the identity of the complainant will not be revealed without the permission of the complainant, except to an appropriate law enforcement agency conducting a criminal investigation.

Upon receiving a complaint, the Internal Auditor may conduct an investigation into the facts alleged in the complaint to determine whether an improper governmental action has occurred. Before launching an investigation, the Internal Auditor's staff will conduct a careful evaluation of the complaint to determine whether it has enough potential merit to warrant the expenditure of city resources to conduct an investigation. After the Internal Auditor receives a complaint, any investigation resulting from the complaint is confidential, so the Internal Auditor's staff cannot provide any updates about what is being done to investigate the complaint or what information has been uncovered. Information about the investigation will not be released unless the Internal Auditor substantiates that an improper action has occurred and issues a report about it.

Whistleblower Priority Assessment

Due to the limited number of staff members in the Internal Audit Department, conducting full investigations of all allegations and complaints received is not feasible. The Internal Audit Department will first screen the allegation to determine “predication”. Predication is defined by the Association of Certified Fraud Examiner’s as *“the totality of circumstances that would lead a reasonable, professionally trained, and prudent individual to believe a fraud has occurred, is occurring, and/or will occur.”* Predication is the basis upon which an investigation is commenced. Investigations should not be conducted without proper predication. Once predication is established, the Internal Audit Department will commence an investigation into the allegation or complaint.

677 Scott Avenue
Clovis, CA 93612
tel 559.299.9540
fax 559.299.2344
www.ppcpas.com

Allegations and complaints received are ranked by risk and investigative efforts are focused on those that represent the greatest risk to the City. The following shows how we generally classify types of tips based on risk:

High Priority – Matters that are considered high priority could include: potential loss to the City of more than $75,000, high level management involvement, collusion of multiple wrongdoers, major department-wide issues, or the need for immediate action to stop a potential major issue. These matters could take priority over other investigations and audits subject to the Internal Auditor's professional judgment.

Medium Priority – Matters that are considered medium priority could include: potential loss to the City of more than $25,000, include abuse of authority, medium-to-low-level employee involvement, minor department-wide issues, or patterns of small issues that could be significant cumulatively. Some medium-priority items could be referred to a department for further review.

Low Priority – Matters that are considered low priority could include: potential loss to the City of up to $25,000, comprise of isolated instances of time abuse, wasteful practices that could lead to efficiencies if corrected, or allegations that lack creditability and evidence. The Internal Audit Department would aim to investigate items in this list, but may not do so due to limited resources. Some low priority allegations could be referred to a department for their review.

Whistleblower Activity Report

The following allegations and complaints were received during the period of July 1, 2018 through September 17, 2019:

Incident #	Primary Type of Allegation	Source of Submission	Priority	Current Status
2018-3-1	Inefficient use of city resources	Website	Medium	IA commencement of other work covers this concern
2018-3-2	Unsolicited communication	Website	Low	Non-fiscal or City related
2018-3-3	Inefficient use of city resources	Website	Medium	IA commencement of other work covers this concern
2018-4-1	Personnel complaint	Website	Low	Non-fiscal related; complaint of Department treatment
2018-4-2	Potential misappropriation of assets	Website	Low	IA work plan will include investigation of matter
2018-4-3	Potential misappropriation of assets	Website	Low	IA work plan will include investigation of matter
2018-4-4	Inappropriate neighborhood activity	Website	Low	Non-fiscal related; forwarded to appropriate department
2018-4-5	Potential conflict of interest	Email	Medium	IA determining if predication exists
2019-2-1	Potential favoritism	Website	Low	Non-fiscal related; forwarded to appropriate department
2019-2-2	Building safety concerns	Website	Low	Non-fiscal or City related
2019-2-3	Inappropriate conduct	Website	Low	Non-fiscal or City related
2019-2-4	Inefficient use of city resources	Website	Medium	IA commencement of other work covers this concern
2019-2-5	Potential favoritism	Website	Low	Non-fiscal related; forwarded to appropriate department
2019-2-6	Potential waste of overtime	Website	Medium	IA determining if predication exists
2019-3-1	Noise complaint	Website	Low	Non-fiscal or City related
2019-3-2	Employment practices	Website	Low	Non-fiscal related; forwarded to appropriate department
2019-3-3	None specific	Email	Low	Non-fiscal or City related
2019-3-4	Unsolicited City email	Website	Low	Non-fiscal related; forwarded to appropriate department
2019-3-5	Compliance and regulations violation	Website	Low	Non-fiscal related; forwarded to appropriate department

Whistleblower Activity Summary

The Internal Audit Department is currently following up on two allegations listed above to establish predication prior to commencing a formal investigation. The Internal Audit Department is also investigating prior allegations and will issue formal written reports once the matters have been fully investigated. Many of the allegations received thus far are unrelated to the City of Oxnard and as appropriate, have been forwarded to the appropriate department. Currently, the Internal Audit Department is in the process of commencing three formal whistleblower investigations.

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.3.

DATE: October 8, 2019

TO: Finance & Governance Committee

FROM: Shiri Klima, Deputy City Manager, (805) 385-7487, shiri.klima@oxnard.org

SUBJECT: Internal Auditor's Contract Amendment and Resolution. (5/5/5)

RECOMMENDATION

1. That the Finance and Governance Committee recommends that City Council authorize and the Mayor execute a First Amendment with Price Paige and Company to amend required protocols; and
2. That the Finance and Governance Committee recommends that City Council adopt a resolution delegating to the Finance and Governance Committee and its Chair (and in limited circumstances, the City Manager or City Attorney) oversight and coordination of Internal Auditor services, and amending the Whistleblower Hotline Policy.

BACKGROUND

On June 27, 2017, City Council awarded a consulting services agreement (No. A-7986) to Price Paige and Company ("Internal Auditor") for a three year term that expires on June 30, 2020. This contract's scope of work consists of whistleblower analysis, an internal audit risk assessment, and the actual audits.

Prior to January 2019, Price Paige and Company made its presentations to the Fiscal Policy Task Force (FPTF) before presenting to the full City Council, as required by the contract. On September 20, 2018, at the FPTF Meeting, the Internal Auditor presented a list of projects, ranking their priority level from low to high. During this meeting, the Internal Auditor discussed shifting the projects from their original projected timeline and inquiring if it needed to come back to the FPTF and Council for approval each time to make the change. The FPTF granted the Internal Auditor permission to shift the projects using its best professional judgement without the need to come back to Council each time. However, the contract was never amended, and the contract requires the Internal Auditor to go to Council. This has caused confusion.

DISCUSSION

For FY 2017-18 the total cost for the internal audit services was $127,403. These audit services included City Corps performance audit, golf course performance audit, risk assessment, payroll and overtime analysis, whistleblower projects, and the basic internal auditor services. The Internal Auditor began work on the City Corps and Golf Course performance audit, but halted those projects to focus on risk assessment, and payroll and overtime analysis along with whistleblower matters during the first year.

In FY 2018-19 the total cost for the internal audit services was $122,480. During that year, the

Internal Auditor continued its overtime analysis, basic internal audit services, risk assessment, and the golf course and City Corps performance audits in addition to starting the PACC performance audit. Also, the Environmental Services cash handling project was added to the audit list. This last project was not originally outlined in the scope of services of the Agreement, nor was it in a Council-approved annual work plan. For an audit not listed in the Agreement or in a subsequent annual work plan, the contract requires the Internal Auditor to get approval by the FPTF and ratification by the City Council; thus far, the FPTF approved this audit, but the City Council has not. (The $122,480 total for FY 2018-19 includes the ER cash handling project, which thus far has cost the City $49,980.)

For FY 2019-20, the Internal Auditor is estimating the total project cost to be $189,500. This cost includes all internal audit work with the two new projects (which are credit cards and travel as well as purchasing/procurement) the Internal Auditor proposed in addition to the whistleblower investigations. For the whistleblower investigations, the Internal Auditor proposed $50,000 of the $189,500 total for the year, although the Internal Auditor may not have to utilize the full amount. (In the past two years, the Internal Auditor has expended $29,772 and $14,630 on whistleblower work.) The current budget appropriation covers these expenses, so no additional funds need to be appropriated for this purpose.

Additionally, staff proposes the attached amendment to the contract for the purposes of better communication between the Internal Auditor and Council. First, after this FY 2019-20 approval, the Internal Auditor would only come to the Finance and Governance Committee, and not to the full City Council, for approval of its annual work plan. Additionally, staff recommends that at least every two months, the Internal Auditor meet with the Chair of the Finance and Governance Committee to review, and if necessary, to amend those priorities. The Chair would have the authority, granted to him or her by the Council, to change the priority order of existing work as well as to authorize new work. Moreover, staff recommends that the Internal Auditor present to the entire Finance and Governance Committee audit updates at least twice a year and present actual audit reports as they are completed to the Committee and later to the Council. Finally, staff recommends that if the whistleblower hotline yields an urgent concern, the Internal Auditor immediately notify the proper staff member—which would be the City Manager unless he is being implicated, in which case it is the City Attorney—and that these staff members have Council-delegated authority to immediately authorize an audit, subject to ratification by the Chair of the Finance and Governance Committee at his or her next meeting with the Internal Auditor. Staff has provided these recommendations to the Internal Auditor, who agrees with them. Staff is also proposing the attached resolution for Council approval to delegate authority and amend provisions of the Whistleblower Hotline Policy consistent with the proposed contract amendment.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to strengthen and stabilize the organizational foundation of the City in the areas of Finance, Information Technology, and Human Resources, and to improve workforce quality while increasing transparency to the public. This item supports the following goals and objectives:

Objective 1a. Ensure the 128 recommendations outlined in the organizational assessment are implemented through the 3 phased implementation action plans adopted by Council in July, 2015 and provide periodic reports to Council on the status of the implementation plans.
Objective 1b. Establish an Internal Audit Program to complete performance audits of identified programs to ensure compliance with state and federal law and that Council policy is adhered to.
Objective 1c. Develop written procedures to address Internal Control recommendations from Internal Auditor.

FINANCIAL IMPACT

The total allocation for this agreement is $239,383, which included past due invoices from FY 2018-19 and proposed services of FY 2019-20. When the original Agreement was adopted, the City Council appropriated $200,000 per the staff report. Funding for this allocation have been budgeted into the FY2019/20 General Fund Non Departmental Professional Contract (Account no. 101-1001-801-8209). Thus, no additional funding is needed at this time. The three-year total cost of the internal audit contract as proposed in this staff report is $439,383.

Prepared by: Sarah Rowley, Administrative Assistant, Shiri Klima, Deputy City Manager

ATTACHMENTS

1. Price Paige & Company Agreement A-7986
2. A-7986 Price Paige Amendment No. 1
3. Resolution Amending Whistleblower Policy and Delegating Duties to Finance and Governance Committee
4. Internal Auditor Presentation

Agreement No. A-7986

AGREEMENT FOR CONSULTING SERVICES

THIS AGREEMENT FOR CONSULTING SERVICES ("Agreement") is made and entered into in the County of Ventura, State of California, this 27th day of June, 2017, by and between the City of Oxnard, a municipal corporation (**"City"**), and Price Paige and Company (**"Consultant"**). City and Consultant are sometimes individually referred to as **"Party"** and collectively as **"Parties."**

WHEREAS, City desires to hire Consultant to perform certain consulting services specified herein; and

WHEREAS, Consultant represents that Consultant and/or Consultant's personnel have the qualifications and experience to properly perform such services.

NOW, THEREFORE, City and Consultant hereby agree as follows:

1. Scope of Services

Consultant shall furnish City with professional consulting services as more particularly set forth in **Exhibit A** attached hereto and incorporated by this reference in full herein (the **"Services"**).

2. Method of Performing Services

Subject to the terms and conditions of this Agreement, Consultant may determine the method, details, and means of performing the Services.

3. Standard of Performance

Consultant agrees to undertake and complete the Services to conclusion, using that standard of care, skill, and diligence normally provided by a professional person in performance of similar consulting services.

4. Nonexclusive Services

This Agreement shall not be interpreted to prevent or preclude Consultant from rendering any services for Consultant's own account or to any other person or entity as Consultant in its sole discretion shall determine. Consultant agrees that performing such services will not materially interfere with the Services to be performed for the City.

COUNCIL APPROVED
6/27/2017 KL
DATE

5. Coordination of Services

The Services shall be assisted by and coordinated with a City Manager designee (**"Coordinator"**), subject to the direction of the City Council through their Fiscal Policy Task Force (**"Chair of FPTF"**).

6. Place of Work

City shall provide office space for Consultant to adequately perform the Services provided for in this Agreement. It is understood that Consultant can perform the Services at any place or location as the Consultant shall determine; however, Consultant will work with the FPTF to ensure an adequate physical presence is achieved at the City given the purpose of the Internal Audit program and the reporting requirements outlined in the Services.

7. Correction of Errors

Consultant agrees to correct, at its expense, all errors which may be disclosed during review of the Services. Should Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by City, and the cost thereof shall be paid by Consultant.

8. Time for Performance

The Services performed under this Agreement shall be completed during the term of this Agreement [pursuant to the schedule provided in **Exhibit B** attached hereto and incorporated by this reference in full herein]. City agrees to amend the performance termination date whenever Consultant is delayed by action or inaction of City and Consultant promptly notifies Chair of FPTF of such delays.

9. Principal in Charge as Internal Auditor

Consultant hereby designates Fausto Hinojosa as its principal-in-charge, the City's Internal Auditor and the person responsible for necessary coordination with the Coordinator and Chair of the FPTF.

10. Permits, Licenses, Certificates

Consultant, at Consultant's sole expense, shall obtain and maintain during the term of this Agreement, all permits, licenses, and certificates required in connection with the performance of the Services, including a City business tax certificate.

11. City's Responsibility

City shall cooperate with Consultant as may be reasonably necessary for Consultant to perform the Services. Chair of FPTF agrees to provide direction to Consultant as requested regarding project requirements.

12. Term of Agreement

This Agreement shall begin upon execution of this contract, and expire three calendar years later, unless City and Consultant agree to extend the term with two (2) one-year options. In no event will contract exceed five (5) calendar years from its original execution.

13. Termination

a. This Agreement may be terminated by City without cause if Chair of FPTF notifies Consultant, in writing, of City's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice. City agrees to pay Consultant in full for all amounts due Consultant as of the effective date of termination, including any expenditures incurred on City's behalf, whether for the employment of third parties or otherwise.

b. This Agreement may be terminated by Consultant without cause if Consultant notifies Chair of FPTF, in writing, of Consultant's desire to terminate the Agreement. Such termination shall be effective ten (10) calendar days from the date of delivery or mailing of such notice and only if all assignments accepted by Consultant have been completed prior to the date of termination.

14. Compensation

a. City agrees to pay Consultant amounts and rates provided in **Exhibit C** (attached hereto and incorporated by this reference in full herein).

b. The acceptance by Consultant of the final payment made under this Agreement shall constitute a release of City from all claims and liabilities for compensation to Consultant for anything completed, finished or relating to the Services.

c. Consultant agrees that payment by City shall not constitute nor be deemed a release of the responsibility and liability of Consultant or its employees, subcontractors, agents and subconsultants for the accuracy and competency of the information provided and/or the Services performed hereunder, nor shall such payment be deemed to be an assumption of responsibility or liability by City for any defect or error in the Services performed by Consultant, its employees, subcontractors, agents and subconsultants.

d. Consultant shall provide Coordinator with a completed Request for Taxpayer Identification Number and Certification, as issued by the Internal Revenue Service.

e. If any sales tax is due for the Services performed by Consultant or materials or products provided to City by Consultant, Consultant shall pay the sales tax. City shall not reimburse Consultant for sales taxes paid by Consultant.

15. Method of Payment

a. City agrees to pay Consultant monthly upon satisfactory completion of the Services and upon submission by Consultant of an invoice delineating the Services performed, in a form satisfactory to Manager. The invoice shall identify the Services by project as specified by Coordinator.

b. Consultant agrees to maintain current monthly records, books, documents, papers, accounts and other evidence pertaining to the Services performed and costs incurred. Such items shall be adequate to reflect the time involved and cost of performing the Services. Consultant shall provide Coordinator with copies of payroll distribution, receipted bills and other documents requested for justification of the invoice.

16. Responsibility for Expenses

Except as otherwise expressly provided in this Agreement, City shall not be responsible for expenses incurred by Consultant in performing the Services. All expenses incident to the performance of the Services shall be borne by the Consultant, including, but not limited to rent, vehicle, and travel, entertainment and promotion, general liability and health insurance, workers' compensation insurance, and all compensation and benefits of employees or agents engaged by Consultant. Consultant shall, at its own cost and expense, supply all personal property necessary or appropriate to perform the Services provided for under this Agreement, including, but not limited to any personal property used by employees and agents of Consultant in the performance of such Services.

17. Non-Appropriation of Funds

Payments to be made to Consultant by City for the Services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted and unencumbered appropriation of City. In the event City does not appropriate sufficient funds for payment of the Services beyond the current fiscal year, this Agreement shall cover payment for the Services only up to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

18. Records

a. Consultant agrees that all final computations, exhibits, files, plans, correspondence, reports, drawings, designs, data and photographs expressly required to be prepared by Consultant as part of the scope of services (**"documents and materials"**) shall be the property of City and shall, upon completion of the Services or termination of this Agreement, be delivered to Coordinator.

b. At City's request, City shall be entitled to immediate possession of, and Consultant shall furnish to Coordinator within ten (10) calendar days, all the documents and materials. Consultant may retain copies of these documents and materials.

c. Any substantive modification of the documents and materials by City staff or any use of the completed documents and materials for other City projects, or any use of uncompleted documents and materials, without the written consent of Consultant, shall be at City's sole risk and without liability or legal exposure to Consultant. City agrees to hold Consultant harmless from all damages, claims, expenses and losses arising out of any reuse of the documents and materials for purposes other than those described in this Agreement, unless Consultant consents in writing to such reuse.

19. Maintenance and Inspection of Records

Consultant agrees that City or its auditors shall have access to and the right to audit and reproduce any of Consultant's relevant records to ensure that City is receiving the Services to which City is entitled under this Agreement or for other purposes relating to the Agreement. Consultant shall maintain and preserve all such records for a period of at least three (3) years after the expiration of this Agreement, or until an audit has been completed and accepted by City. Consultant agrees to maintain all such records in City or to promptly reimburse City for all reasonable costs incurred in conducting the audit at a location other than in City, including but not limited to expenses for personnel, salaries, private auditor, travel, lodging, meals and overhead.

20. Confidentiality of Information

Any documents and materials given to or prepared or assembled by Consultant under this Agreement shall be confidential and shall not be made available to any third person or organization by Consultant without prior written approval of the Coordinator.

21. Indemnity

a. To the fullest extent permitted by law, Consultant shall (1) immediately defend; (2) indemnify; and (3) hold harmless City, its City Council, each member thereof, and its directors, officers, and employees (the **"Indemnified Party"**) from and against all liabilities regardless of nature, type, or cause, to the extent arising out of or resulting from or in connection with Consultant's negligent or willful misconduct in its performance of this Agreement or Consultant's failure to comply with any of its obligations contained in this Agreement. Liabilities subject to the duties to defend and indemnify include, without limitation, all claims, losses, damages, penalties, fines, and judgments; associated investigation and administrative expenses; defense costs, including but not limited to reasonable attorneys' fees; court costs; and costs of alternative dispute resolution. If it is finally adjudicated that liability is caused by the comparative negligence or willful misconduct of the Indemnified Party, Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability of the Indemnified Party.

b. The duty to defend is a separate and distinct obligation from Consultant's duty to indemnify. To the extent of Consultant's negligent or willful misconduct in its performance of this Agreement or Consultant's failure to comply with any of its obligations contained in the Agreement, Consultant shall be obligated to defend, in all legal, equitable,

administrative, or special proceedings, with counsel approved by the Indemnified Party immediately upon tender to Consultant of the claim in any form or at any stage of an action or proceeding, unless Indemnified Party's sole liability is established. An allegation or determination of negligence or willful misconduct by the Indemnified Party shall not relieve Consultant from its separate and distinct obligation to defend the Indemnified Party. The obligation to defend extends through final judgment, including exhaustion of any appeals. The defense obligation includes the obligation to provide independent defense counsel if Consultant asserts that liability is caused in whole or in part by the negligence or willful misconduct of the Indemnified Party. If it is finally adjudicated that liability was caused in part by an Indemnified Party, Consultant may submit a claim to City for reimbursement of reasonable attorneys' fees and defense costs to the extent of Indemnified Party's negligent or willful misconduct in its performance of this Agreement or of Indemnified Party's failure to comply with any of its obligations contained in the Agreement.

c. The review, acceptance or approval of Consultant's work or work product by the Indemnified Party shall not affect, relieve or reduce Consultant's indemnification or defense obligations. This Section shall survive completion of the Services or termination of this Agreement. The provisions of this Section shall not be restricted by and do not affect the provisions of this Agreement relating to insurance.

22. Insurance

a. Consultant shall obtain and maintain during the performance of the Services the insurance coverages as specified in **Exhibit INS A**, attached hereto and incorporated herein by this reference, issued by a company satisfactory to the Risk Manager, unless the Risk Manager waives, in writing, the requirement that Consultant obtain and maintain such insurance coverages.

b. Consultant shall, prior to performance of the Services, file with the Risk Manager evidence of insurance coverage as specified in **Exhibit INS A**. Evidence of insurance coverage shall be forwarded to the Risk Manager, addressed as specified in **Exhibit INS A**.

c. Maintenance of proper insurance coverages by Consultant is a material element of this Agreement. Consultant's failure to maintain or renew insurance coverages or to provide evidence of renewal may be considered as a material breach of this Agreement.

23. Independent Contractor

a. City and Consultant agree that in the performance of the Services, Consultant shall be, and is, an independent contractor, and that Consultant and its employees are not employees of City. Consultant has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons assisting Consultant.

b. Consultant shall be solely responsible for, and shall save City harmless from, all matters relating to the payment of Consultant's employees, agents, subcontractors and

subconsultants, including compliance with social security requirements, federal and State income tax withholding and all other regulations governing employer-employee relations.

c. Consultant acknowledges that Consultant and Consultant's employees are not entitled to receive from City any of the benefits or rights afforded employees of City, including but not limited to reserve leave, sick leave, vacation leave, holiday leave, compensatory leave, Public Employees Retirement System benefits, or health, life, dental, long-term disability and workers' compensation insurance benefits.

24. Consultant Not Agent

Except as provided for in this Agreement, or except as Coordinator may specify in writing, Consultant, and its agents, employees, subcontractors and subconsultants shall have no authority, expressed or implied, to act on behalf of City in any capacity, as agents or otherwise, or to bind City to any obligation.

25. Conflict of Interest

If, in performing the Services set forth in this Agreement, Consultant makes, or participates in, a **"governmental decision"** as described in Title 2, section 18704 of the California Code of Regulations, or performs the same or substantially all the same duties for City that would otherwise be performed by a City employee holding a position specified in City's conflict of interest code, Consultant shall be subject to City's conflict of interest code, the requirements of which include the filing of one or more statements of economic interests disclosing the relevant financial interests of Consultant's personnel providing the Services set forth in this Agreement.

26. Assignability of Agreement

Consultant agrees that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's personnel's unique competence, experience and specialized personal knowledge. Assignments of any or all rights, duties, or obligations of Consultant under this Agreement will be permitted only with the express written consent of Coordinator and Chair of FPTF, which consent may be withheld for any reason.

27. Successors and Assigns

Consultant and City agree that this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of Consultant and City.

28. Fair Employment Practices

a. Consultant agrees that all persons employed by Consultant shall be treated equally by Consultant without regard to or because of race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law, and in compliance

with all antidiscrimination laws of the United States of America, the State of California, and City.

b. Consultant agrees that, during the performance of this Agreement, Consultant and any other parties with whom Consultant may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

c. Consultant agrees to state in all of its solicitations or advertisements for applicants for employment that all qualified applicants shall receive consideration for employment without regard to their race, color, religion, ancestry, national origin, disability, sex, marital status, age, or any other status protected by law.

d. Consultant shall provide City staff with access to and, upon request by Coordinator, provide copies to Coordinator of all of Consultant's records pertaining or relating to Consultant's employment practices, to the extent such records are not confidential or privileged under State or federal law.

29. Force Majeure

Consultant and City agree that neither City nor Consultant shall be responsible for delays or failures in performance resulting from acts beyond the control of either party. Such acts shall include, but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after this Agreement was executed, fire, communication line failures, earthquakes, or other disasters.

30. Time of Essence

Consultant and City agree that time is of the essence in regard to performance of any of the terms and conditions of this Agreement.

31. Covenants and Conditions

Consultant and City agree that each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.

32. Governing Law

City and Consultant agree that the construction and interpretation of this Agreement and the rights and duties of City and Consultant hereunder shall be governed by the laws of the State of California.

33. Compliance with Laws

Consultant agrees to comply with all City, State, and federal laws, rules, and regulations, now or hereafter in force, pertaining to the Services performed by Consultant pursuant to this Agreement.

34. Severability

City and Consultant agree that the invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

35. Waiver

City and Consultant agree that no waiver of a breach of any provision of this Agreement by either Consultant or City shall constitute a waiver of any other breach of the same provision or any other provision of this Agreement. Failure of either City or Consultant to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver of such provision or breach.

36. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

37. Arbitration

Consultant and City agree that in the event of any dispute with regard to the provisions of this Agreement, the Services rendered or the amount of Consultant's compensation, the dispute may be submitted to non-binding arbitration upon the mutual agreement of the parties, under such procedures as the parties may agree upon, or, if the parties cannot agree, then under the Rules of the American Arbitration Association.

38. Expenses of Enforcement

Consultant and City agree that the prevailing party's reasonable costs, attorneys' fees (including the reasonable value of the services rendered by the City Attorney Office) and expenses, including investigation fees and expert witness fees, shall be paid by the non-prevailing party in any dispute involving the terms and conditions of this Agreement.

39. Authority to Execute

a. City acknowledges that the person executing this Agreement has been duly authorized by the City Council to do so on behalf of City.

b. Consultant acknowledges that the person executing this Agreement has been duly authorized by Consultant to do so on behalf of Consultant.

40. Notices

a. Any notices to Consultant may be delivered personally or by mail addressed to Price Paige and Company, 677 Scott Avenue, Clovis, CA 93612, Attention: Fausto Hinojosa.

b. Any notices to City may be delivered personally or by mail addressed to City of Oxnard, City Manager's Office, 300 West Third Street, 4th Floor Oxnard, California 93030, Attention: Greg Nyhoff, City Manager.

41. Amendment

City and Consultant agree that the terms and conditions of the Agreement may be reviewed or modified at any time. Any modifications to this Agreement, however, shall be effective only when agreed upon to in writing by both the City representative authorized to do so under the City's purchasing policies and Consultant.

42. Entire Agreement

City and Consultant agree that this Agreement constitutes the entire agreement of the parties regarding the subject matter described herein and supersedes all prior communications, agreements, and promises, either oral or written.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement on the date first written above.

CITY OF OXNARD

Tim Flynn, Mayor — Date: 6/27/17

ATTEST:

Michelle Ascencion, City Clerk — Date: 6/27/17

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney — Date: 6/22/17

APPROVED AS TO CONTENT:

Greg Nyhoff, City Manager — Date: 6/21/17

APPROVED AS TO AMOUNT:

Greg Nyhoff, City Manager — Date: 6/21/17

APPROVED AS TO INSURANCE:

Mike More, Risk Manager — Date: 6/27/17

VENDOR/CONTRACTOR/CONSULTANT

Fausto Hinojosa, Vice President — Date: 6/19/17

Mitch Buckley, Secretary — Date: 6/21/17

The City requires the following for any contract:

- For a corporation, the signatures of the Board President, CEO or Vice President and of the Board Secretary, Assistant Secretary, CFO or Assistant Treasurer;
- For an LLC, the signatures of at least two managers of the LLC; or
- For a partnership, the signature of a partner. If the partnership is a limited partnership, the signer must be a general partner.

If the company has a different structure, or if the above-listed persons are not the appropriate signers, please submit to the City Attorney legally-binding documentation stating who can sign and bind your company.

EXHIBIT A

SCOPE OF SERVICES

I. SCOPE OF SERVICES

The successful firm will be required to provide audit services that include, but are not necessarily limited to the following:

I. **Internal Auditor Basic Services**: (To commence immediately and accomplished concurrently with the citywide Risk Assessment and any other specific audit activities as outlined below).

A. Provide a senior representative to be the named as the City Internal Auditor under the terms of contract, who will:

1. Respond to phone calls, citizen inquiries and emails to the City Internal Auditor and when appropriate refer to City staff.

2. Coordinate with City staff to schedule Fiscal Policy Task Force Council Committee Meetings.

3. Provide regular reports on the status of the risk assessment and other audit activities.

4. Propose and update the Audit Work Plan at the beginning of each calendar year for the subsequent fiscal year beginning in July; prepare Audit Work Plan based on regular citywide risk assessments and include proposed scope and cost for each recommended audit; present annual Audit Work Plan to City Manager for preliminary review of scope, followed by review by the Fiscal Policy Task Force Council Committee and final presentation to the City Council for approval.

5. Provide regular status reports, either written or oral, to the Fiscal Policy Task Force; at a minimum provide Quarterly Reports on activities and findings related to audits; may be required to be present at City Council or other meetings upon request.

6. Conduct follow-up and verification of audit findings pursuant to closing findings as complete.

7. Provide city staff with tools to track open audit findings and facilitate resolution of findings when complete.

8. Provide follow-up work for findings associated with annual external financial audits.

B. Administer Oxnard's new Whistleblower Hotline Policy

1. Manage the City's new Whistleblower Hotline Policy (see Attachment 1)

2. Create and operate toll free phone hotline, email or mail repository to solicit allegations of misconduct. Consultant will use assistance of third-party to operate phone hotline.

3. Perform the duties as outline in the attached Whistleblower Hotline Policy, including but not limited to: reaching out to the complainant to ascertain the nature of the complaint, its merit and relevance to City of Oxnard business; maintaining a database to track complaints and activities leading to resolution of it; prioritizing the complaint consistent with Policy; and, conducting the relevant due diligence leading to appropriate findings and resolution of the complaint.

4. Provide periodic reports to the City Council, at least every six months, including a list of the allegations received through the Hotline, including the priority assigned and the status or disposition of each reported allegation.

II. <u>City Council Initial Audit Work Plan:</u>

A. Conduct a citywide Risk Assessment and Internal Control audit that utilizes the March 17, 2015 report to Council called "Organizational Assessment and Audit of Corporate Support, Accountability and Value Systems—Management Partners and Renne Sloan Holtzman and Sakai, LLP" and the July 19, 2016 Presentation on the Single Audit Report, Internal Control and Compliance Report and Other Communication for FY 2014-15 by Eden Casareno and Associates; as a starting point for completing this section of the scope of work. Any proposal should not be redundant to this work; rather it should be complementary to what the City already knows.

1. Complete a Risk Assessment of the City's financial operations:

   a) Review Organizational Assessment mentioned above.

   b) Review administrative and financial policies, procedures, and practices.

   c) Examine methods, procedures, and practices used to provide reasonable assurance that City assets are safeguarded and that staff is complying with approved policies, procedures and practices.

   d) Identify the strengths, weaknesses, challenges and key areas of risk.

   e) Make recommendations for improvement, identify future audit priorities and prepare a preliminary Audit Work Plan in conjunction with the results from reviewing the internal controls mentioned below.

2. Examine the internal controls framework of the City to include:

   a) The City's overall control environment.

      i) Management's philosophy and operating style regarding integrity and ethical values.

      ii) Staff's philosophy and operating style regarding integrity and ethical values.

      iii) The assignment of authority and responsibility for ensuring protection of City assets and policy compliance.

      iv) Existing policies and procedures.

   b) The City's ongoing identification and assessment of risk.

      i) The City's approach to risk identification and risk mitigation (proactive versus reactive).

      ii) The alignment of the City's objectives with the assessment of risk.

   c) The City's control activities (for protection of assets and compliance with policies).

      i) Separation of duties.

      ii) Authorization and approval.

      iii) Custodial and security arrangements.

iv) Review and reconciliation.

v) Variance analysis.

vi) Adequate documentation.

vii) Physical inventories.

d) Senior management, mid-management and supervisory responsiveness to identified problems/weaknesses.

i) The timeliness with which internal control deficiencies are identified and communicated.

ii) Appropriateness of management's selection of risk response – avoidance, acceptance, reduction, or sharing of an identified risk.

e) Perform sampling procedures to test and evaluate one or more areas of the City's internal controls, considering risk, control weaknesses, size, and complexity of operations.

f) Make use of and build upon the internal control evaluation work done by the City's independent CPA firm during that firm's annual financial statement audit.

g) Review any recommendations regarding the internal controls with the appropriate executives, including the Chief Financial Officer and the City Manager.

h) Prepare reports which analyze significant risk assessment findings, recommend changes for strengthening internal controls and reducing identified risks.

i) Report of the findings that outlines the specific deficiencies in the internal control framework and the possible impact posed (level of risk) due to the identified weaknesses.

ii) Report with recommendations that will address the weaknesses identified in the City's internal control framework.

iii) Present draft results of this audit project along with the findings from the Risk Assessment and fold into the preliminary Audit Work Plan to the City Manager with the final report to the Fiscal Policy Task Force Council Committee, including estimated costs by audit project and a

recommended future audit approach. This will require eventual ratification by the full City Council.

B. Conduct comprehensive performance audit of Oxnard's City Corp program

1. This program represents a hybrid structure where City Corp management (City employees) seeks funding independently of the City and its proceeds are accounted for in a City Trust Fund along with a City General Fund subsidy and other City financial support via contracts with City departments. Payroll for City Corp employees is processed totally independent of the City's systems. City Corp employees are hired outside the City's Human Resources processes. As a result, since City funds support and City employees manage this program, this audit will examine all City Corp practices vis-à-vis City policies and procedures, state or federal guidelines, best management practices and proper internal controls for managing risk.

2. Given the stated program goals, this audit will examine program outcomes and the efficiency and cost-effectiveness of the program.

3. Given the City's difficult General Fund financial position, the audit will provide recommendations for potential cost savings to the General Fund.

4. All audit findings will be accompanied with recommendations for improvement.

5. Preliminary findings and recommendations will be shared with program management, the Coordinator and City Manager.

6. The final report will be reported out to the Fiscal Policy Task Force Council Committee and ultimately the full City Council.

C. Conduct comprehensive performance audit of the Oxnard's Performing Arts and Convention Center (PACC) Program.

1. Again, this program is a hybrid one where City employees provide overall management and supervision and the City provides a sizeable General Fund contribution; however, there is a non-profit organization that provides funding and some direction to the PACC Manager. As a result, due to the intertwining of non-profit and City staffing and funding; this audit will examine program and financial activities of the entire PACC program i.e. for both the non-profit and City. It will use as benchmarks: City policies and

procedures, state or federal guidelines, best management practices, general fund subsidies of similar programs/facilities and proper internal controls for managing risk.

2. Given the overall program goals, this audit will examine program outcomes and the efficiency and cost-effectiveness of the program.

3. Given the City's difficult General Fund financial position the audit will provide recommendations for potential cost savings to the General Fund.

4. The audit should provide recommendations on budgeting and accounting practices for improvement of financial management and accountability.

5. All audit findings will be accompanied with recommendations for improvement.

6. Preliminary findings and recommendations will be shared with program management, the Coordinator and the City Manager.

7. The final report will be reported out to the Fiscal Policy Task Force Council Committee and ultimately to the full City Council.

D. Conduct a comprehensive audit of the City's use and management of overtime in the various programs within departments. Audit will use as benchmarks: City policies and procedures, best management practices, staffing levels, and proper internal controls for managing the cost of overtime. The auditor will evaluate outcomes and efficiencies of the program and recommends ways to improve in these areas.

E. Conduct a comprehensive performance audit of the City's Golf operation.

1. The City owns one golf course that has been operated under contract by the same vendor since 1993. The Golf generated revenues do not cover the full direct and indirect costs of operating the golf course facility at River Ridge Golf Club and requires a General Fund subsidy. The FY 16-17 budget is $5.3 million and the budgeted General Fund subsidy is $775,858. Given the City's difficult budgetary position, it is interested in options to save money and reduce the subsidy by the City.

2. Conduct a thorough review of the Golf operations, its contract with the vendor that operates the program and comparing these efforts to generally recognized best management practices. This would be

done with the goal of improving the cost effectiveness of the program and reducing the subsidy of the program.

3. Conduct a thorough review of the City's contract oversight practices and recommend options to improve control and accountability of the Golf operator.

III. **Annual Audit Work Plan: Professional Standards, Implementation and Maintenance**:

A. Provide resources to conduct specific internal audits effectively and efficiently according to relevant professional standards such as: Generally Accepted Government Auditing Standards (GAGAS) or other professional standards as promulgated by the American Institute of CPA's (AICPA) and/or Institute of Internal Auditors (IIA). The annual Audit Work Plan will be proposed by the internal auditor but selected by the Fiscal Policy Task Force Council Committee and ultimately ratified by the City Council. The related work activities are as follows:

1. Provide an opportunity for feedback and response by departments under audit along with the City Manager's Office.

2. Provide regular reports on the status of ongoing internal audits to the City Manager and Fiscal Policy and Audit Council Committee.

3. Provide written reports with results of audits and publish audits to the City Internal Auditor's Web page; based on the audit work performed, written reports and oral PowerPoint presentations must be provided. The presentations shall address the audit findings and conclusions, audit recommendations that will improve the efficiency and effectiveness of the organizations or programs audited, and corrections needed to address any operational deficiencies or non-compliance issues found.

4. Work with management to implement recommendations.

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. 14,906

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING A WHISTLEBLOWER HOTLINE POLICY

WHEREAS, California Government Code Section 53087.6 authorizes the City Council to approve establishing a whistleblower hotline to provide a confidential way for the public to report fraud, waste and abuse; and

WHEREAS, the City Council intends to award a contract for Internal Auditor services, which services shall include the review and investigation of reports of fraud, waste and abuse, as well as a contract for the operation of a Whistleblower Hotline for the intake of such reports; and

WHEREAS, the City Council wishes to establish a policy regarding the operation of the Whistleblower Hotline and the review and processing of reports submitted through the Hotline and through other channels.

NOW, THEREFORE, the City Council of the City of Oxnard resolves that the Whistleblower Hotline Policy attached hereto as Exhibit "A" is hereby adopted.

PASSED AND ADOPTED THIS 5th day of April, 2016, by the following vote:

AYES: Councilmembers Flynn, Ramirez, MacDonald, Padilla and Perello.

NOES: NONE.

ABSENT: NONE.

ABSTAIN: NONE.

Tim Flynn

Tim Flynn, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, Interim City Attorney

Attachment 1--EXHIBIT "A"

City of Oxnard Whistleblower Hotline Policy

WHISTLEBLOWER PROTECTION

The City will take all appropriate steps to thoroughly evaluate any allegations of improper governmental action that are brought to its attention. No City official or employee shall take retaliatory action against any employee or member of the public who, based on a good faith belief, has made a complaint or allegation concerning improper governmental action. Any individual who files a complaint may elect to have their identity kept confidential to the extent permitted by law unless the employee waives confidentiality in writing. The City shall establish a Whistleblower Hotline in order to receive and investigate allegations of possible City Fraud, Waste, and Abuse. This policy reflects the City's ongoing commitment to support open, ethical, accountable, and transparent local government.

Purpose

It is the purpose of this policy to 1) encourage employees and members of the public to report information concerning any allegedly improper governmental action or subsequent retaliation by the City's officers or employees by providing them protection against retaliation, and 2) reinforce the expected values and behaviors of City officials and employees because of their role as guardians of the public trust and resources.

Procedures

The following procedures aim to ensure accountability by creating a consistent and logical method for receiving and tracking allegations received through the Whistleblower Hotline. These procedures describe how the Internal Auditor and others involved in the reporting process will handle these allegations. Additionally, the procedures lay out a risk-based approach for using the Internal Auditor's limited resources to investigate the allegations that could place the City of Oxnard at the greatest risk.

Receiving Allegations

City staff or members of the public may submit allegations by either calling the Whistleblower Hotline's toll-free number, 1-***-***-****, or by completing the online form located at https://www.**********. In addition, individuals may also submit allegations directly to the Internal Auditor. Any individual who files a complaint may elect to have their identity kept confidential. The individual's identity will be kept confidential to the extent permitted by law unless the individual waives confidentiality in writing. Information can be submitted in person, over the phone, by voicemail, by e-mail, or by mail. The following provides the general procedure for receiving allegations.

In-Person or Phoned-In Allegations

Persons responsible for intake of allegations should adhere to the following procedures:

1. Ask about the subject of the allegation to ensure that the complainant is reporting to the correct entity. Determine if the allegation is about a City Department, Employee, Vendor, or Contractor; or if the complaint would fall under another jurisdiction.
    - If the allegation is not related to City government (for example, it is about a State or County Employee), refer the complainant to other relevant reporting options. See Reporting Options

table. Enter the information in the Intake Log with a note about which entity the complainant was referred to.

2. If the allegation is about a City Department, Employee, Vendor, or Contractor, start a conversation with the complainant about the allegation.
3. After obtaining a basic understanding of the allegation, if the complainant had not already provided his or her name, ask for their name and contact information. Discuss the complainant's preference about remaining anonymous. Note this information on the Intake Form. Persons receiving allegations may enter notes on paper or directly into the electronic form.
4. After gathering this information, continue the conversation about the allegation. Ask the questions from the Intake Form, if appropriate. However, use your discretion to ask additional questions. The form's questions are meant to be used as a tool to aid the conversation and to solicit possible additional evidence.
5. After completing the conversation, enter/review Intake Form notes and save the file on the Investigations database.
6. Log the allegation information on the Intake Log.
7. Discuss the allegation with appropriate Internal Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.

Voicemail Allegations

1. Listen to the voicemail.
2. Log the allegation information on the Intake Log.
3. Complete the Intake Form.
4. If necessary and contact information is available, seek additional information by using any contact information that the complainant provided.
5. If contact is made, update the Intake Form to reflect additional information.
6. Discuss the allegation with appropriate Internal Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.

E-mailed or Mailed-In Allegations

1. Read the e-mail or letter.
2. Log the allegation information on the Intake Log.
3. Complete the Intake Form.
4. If necessary and contact information is available, seek additional information by using any contact information that the complainant provided.
5. If contact is made, update the Intake Form to reflect additional information.
6. Discuss the allegation with appropriate Internal Auditor Staff. Depending on the severity of the allegations, this discussion might need to occur immediately. See Allegations section below. For less serious allegations, discussions of many allegations may take place during periodic whistleblower hotline meetings.

Screening for Merit and Relevance

The Whistleblower Hotline is open to the public at large. As such, it welcomes an expansive range of complaints. Therefore, it is important to consider, during the interview process, how the allegation may

relate to waste, fraud, or abuse by the City or its Employees. To do this, intake staff should think broadly about how the provided statements could tie into a related matter. Allegations, from a cursory review, could appear to lack in merit or relevance due to a myriad of reasons. However, upon a thorough and professional evaluation, they may point to an issue that puts the City at risk, which merits further investigation. However, cases that lack merit and relevance, as determined by insubstantial statements, should be documented and closed as 'Dismissed: Does Not Appear to Have Merit' in the Whistleblower Intake Log in order to preserve Internal Auditor resources. Taking these necessary steps protects the integrity of the Whistleblower Hotline and efficiently preserves public resources for matters that have merit and relevance.

Allegations

The Intake Log and Intake Form requires Internal Auditor staff conducting the intake to rate the priority of the complaint using "low," "medium," and "high." This method is to help the Internal Auditor prioritize its investigations by targeting overall risk to the City of Oxnard. Any allegations that are rated "medium" or "high" should be presented to the City's Internal Auditor or relevant Internal Auditor staff as soon as practicable. Those rated "low" can be discussed during periodic hotline discussions. The following provides guidance about rating allegations:

High Priority

Reasons why allegations may be considered high priority include a safety concern, losses to the City of Oxnard for more or equal to $75,000, criminal activity resulting in a loss of at least $400, high-level involvement, collusion of multiple wrongdoers, a major department-wide issue, or need for immediate action to stop a potential major issue. High-priority items should be discussed immediately. In addition, addressing these items could take priority over other investigations and audits – at the Internal Auditor's discretion.

Medium Priority

Allegations in this category could include a loss to the City of Oxnard for more or equal to $25,000, abuse of authority, medium to low-level employee involvement, minor department-wide issues, or patterns of small problems that could become serious in the aggregate.

Low Priority

Allegations in this category could include a loss to the City of less than $25,000, isolated instances of time abuse, wasteful practices that would lead to limited gains in efficiencies if corrected, or allegations that lack credibility and evidence. The Internal Auditor would aim to investigate items in this list, but may not do so because of limited resources or if the complaint is insubstantial due to a lack of sufficient information to warrant an investigation. However, if the same or similar issues were reported multiple times, low priority items may become more of a priority.

Allegations Covered By the Internal Auditor

The hotline is designed to promote good government by providing City employees and members of the public with a way to report allegations of fraud, waste, and abuse.

In 2009, State Law went into effect that enabled local government auditors to establish whistleblower hotlines and to provide whistleblower protections. Local auditors are authorized under California

Government Code Section 53087.6 to create whistleblower hotlines with the approval of their respective legislative bodies.

The California Government Code defines "fraud, waste, or abuse" in this context as an activity by a local government or employee "that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct."

The following further defines fraud, waste, and abuse:

Fraud -- The Association of Certified Fraud Examiners defines occupational fraud as "the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets."

Some examples of possible fraud include theft of City funds or property, accepting or soliciting a bribe or kickback, falsifying payroll information, falsifying financial records to hide theft, submitting a false voucher, or using city property for non-City business.

Waste -- Waste can be intentional or unintentional and can involve unnecessary or extravagant City expenditures or misuse of City resources.

Abuse -- This is the use of an employee's position in the City to obtain personal gain for that employee or for someone else like a family member or friend.

The above definitions are meant to provide guidance, and are not meant to cover all types of allegations that will be investigated.

Additional Definitions

Employee means anyone employed by the City, whether in a permanent or temporary position, including full-time, part-time and intermittent workers. It also includes volunteers and members of appointed boards or commissions, whether or not paid.

Good faith belief means an honest and reasonable belief based on personal knowledge.

Improper governmental action means any activity by a local agency or employee that is undertaken in the performance of the employee's official duties, including activities deemed to be outside the scope of his or her employment, that is in violation of any local, state, or federal law or regulation relating to corruption, malfeasance, bribery, theft of government property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of government property, or willful omission to perform duty, is economically wasteful, or involves gross misconduct.

Retaliatory action means any adverse change in an employee's employment status or the terms and conditions of employment resulting from an employee's complaint or allegation of an improper governmental action based on good faith belief.

Allegations Covered by Other City Offices

Some allegations are more appropriately investigated by other City Departments. The intent of establishing a whistleblower hotline is not to replace or limit other reporting options. Specifically, many Human Resources related issues should still be reported to the appropriate Human Resources staff. For example, labor grievances, discrimination allegations, and workers' compensation claims should be reported under the City's current procedures. Also, some callers may want to report legal issues to the City Attorney's Office, or code enforcement issues to the Development Services Department. As appropriate, the Internal Auditor will refer reporters to other City departments. However, it may also be appropriate for Internal Auditor staff to gather initial information in these areas to better understand the issues involved.

Internal Referrals Reporting Options:

Human Resources Department for workers' compensation information, union grievance procedures, and environmental health and safety programs like OSHA and DOT compliance:
805-385-7590
http://hr.cityofoxnard.org/11

Financial Resources - Risk Management for liability claims:
805-385-7475
http://finance.cityofoxnard.org/8/

City Attorney:
805-385-7483
http://cityattorney.cityofoxnard.org/1

Code Compliance Division for neighborhood code, housing and dangerous buildings, business compliance, landscape requirements, rental house standards, and anti-graffiti:
805-385-7940
http://developmentservices.cityofoxnard.org/Uploads/code/

Police for non-emergencies:
805-385-7600
https://www.oxnardpd.org/

Reporting Options for Allegations Covered by Non-City Agencies

Jurisdiction	Organization	Reporting	Methods
County of Ventura	County Auditor-Controller	Audit Fraud Hotline	805-644-6019 Audit Fraud Hotline/ County of Ventura/ 800 South Victoria/ Ventura, CA 93009-1540
State of California	Bureau of State Audits	Whistleblower Hotline	800-952-5665 Investigations/ Bureau of State Audits/ 555 Capitol Mall, Suite 300/ Oxnard, CA 95814 http://www.bsa.ca.gov/hotline/filecomp
Consumer Complaints Against a Business	California Office of the Attorney General	Comment/ Complaint Form	https://oag.ca.gov/contact/consumer-complaint-against-business-or-company
Consumer Complaints Against a Business	Better Business Bureau	Complaints	https://www.bbb.org/consumer-complaints/file-a-complaint/get-started
California Attorneys	State Bar of California	Complaints	800-843-9053 http://www.calbar.ca.gov/Attorneys/LawyerRegulation/FilingaComplaint.aspx
California Judges	Commission on Judicial Performance	Complaints	415-557-1200 http://cjp.ca.gov/file_a_complaint.htm

Special Circumstances

1. The Internal Auditor may receive allegations about elected officials. As the Internal Auditor does not generally have the authority to audit the City Council without their request to be audited, allegations involving these officials shall be discussed with the Internal Auditor immediately. The Internal Auditor and other City officials, if necessary, will discuss how to evaluate these types of allegations.
2. Additionally, allegations may be received about members of the Internal Auditor's staff. If such allegations occur, those receiving the allegations should report them to the Internal Auditor immediately. The Internal Auditor and any other Internal Auditor staff who become aware of the complaint will evaluate the allegation, possibly with the advice of other City staff and officials, to determine if an investigation shall be conducted by the City or by an outside entity. The Internal Auditor's staff is expected to keep the allegation confidential and not inform the individual who is the subject of the allegation. If the complaint is about the designated Internal Auditor, the individual receiving the allegation should discuss it with another staff member and possibly seek guidance from City staff or officials to determine how to proceed.

Periodic Reporting

The Internal Auditor shall, at least every six months, report to the City Council on the allegations received through the Whistleblower Hotline, including the priority assigned and the status or disposition of each reported allegation.

Contact Information for the Internal Auditor Appointed by the Oxnard City Council:

To be determined within three weeks of contract approval by the City Council.

EXHIBIT B

SCHEDULE OF SERVICES

I. Internal Audit Basic Services

A. Provide designated City Internal Auditor and commence basic services
B. Provide Whistleblower Hotline services

The above services will commence within three weeks from contract execution.

II. City Council Initial Audit Work Plan

A. Conduct Risk Assessment and Internal Control audit
B. Conduct comprehensive performance audit of Oxnard's City Corp Program
C. Conduct comprehensive performance audit of Oxnard's Performing Arts and Convention Center (PACC) Program
D. Conduct a comprehensive audit of the City's use and management of overtime
E. Conduct a comprehensive performance audit of the City's Golf operation

The above activities will be completed in the City's 2017-18 fiscal year.

III. Annual Audit Work Plan: Professional Standards, Implementation and Maintenance

This is ongoing activity; however, the proposed FY 18-19 Audit Work Plan, and any subsequent ones, should be completed in time for inclusion in the City's annual budget adoption process.

EXHIBIT C

COMPENSATION RATES

I. Internal Audit Basic Services

A.	Provide designated Internal Auditor/Basic Services	$15,600
B.	Provide Whistleblower Hotline Services	$10,120
	1. Third-party hotline system	$ 3,000
		$28,720

The above are fixed annual amounts for three years.

Note: While the above are "not to exceed amounts", extensive investigations into possible fraud activities within the Whistleblower program cannot, and are not, estimated in these amounts provided for that program. The above estimate includes the activities necessary to examine and establish predication. Pursuant to the Fraud Examiner's Manual, predication is the totality of circumstances that would lead a reasonable, professionally trained, and prudent individual to believe a fraud has occurred, is occurring and/or will occur. Predication is the basis upon which an extensive examination or fraud investigation is commenced. Extensive examinations or fraud investigations are impossible to predict, thus outside the scope of the amount provided above.

II. City Council Initial Audit Work Plan

A.	Conduct Risk Assessment and Internal Control Audit	
	1. Risk Assessment	$31,280
	2. Internal Control Audit	$28,880
B.	Performance audit of City Corp	$15,600
C.	Performance audit of PAAC	$21,600
D.	Audit of Overtime	$15,060
E.	Performance audit of Golf course	$14,960
		$127,380

Amounts in this Section II. Reflect "not to exceed" amounts

First Year Costs $156,100

Hourly Rates

Partner	$250/hr.
Manager	$160/hr.
Supervisor/Senior	$140/hr.
Staff	$120/hr.
Support Staff	$ 80/hr.

These billable rates are fixed amounts for three years.

EXHIBIT INS-A

INSURANCE REQUIREMENTS
INSURANCE REQUIREMENTS FOR CONSULTANTS (WITH ERRORS AND OMISSIONS REQUIREMENT)

1. Consultant shall obtain and maintain during the performance of any services under this Agreement the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Consultant, its agents, representatives, employees or subconsultants.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project or shall be twice the occurrence amount;

b. Business automobile liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office automobile liability coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. Professional liability/errors and omissions insurance appropriate to Consultant's profession to a minimum coverage of $1,000,000, with neither Consultant nor listed subconsultants having less than $500,000 individually. The professional liability/errors and omissions insurance must be project specific with at least a one year extended reporting period, or longer upon request.

d. Workers' compensation insurance in compliance with the laws of the State of California, and employer's liability insurance in an amount not less than $1,000,000 per claimant.

2. Consultant shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-A. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before commencement of services. City reserves the right to require complete certified copies of all required insurance policies at any time. The certificates of insurance and endorsements shall be forwarded to the Risk Manager, addressed as follows:

City of Oxnard
Risk Manager
Reference No. _____
300 West Third Street, Suite 302
Oxnard, California 93030

3. Consultant agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

4. Consultant agrees that the commercial general liability and business automobile liability insurance policies shall be endorsed to name City, its City Council, officers, employees, agents and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees, agents and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-A or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

5. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages (**this must be endorsed**). Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6. The insurer shall declare any deductibles or self-insured retentions to and be approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

7. All insurance standards applicable to Consultant shall also be applicable to Consultant's subconsultants. Consultant agrees to maintain appropriate agreements with subconsultants and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

Rev. 6/17

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.**

Endorsement Forms

Original endorsements are required for commercial general liability and business automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that the Consultant/insurer use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE $1,000,000 PRODUCTS COMP/OP AGG. $1,000,000 PERSONAL & ADV. INJURY $1,000,000 EACH OCCURRENCE $1,000,000 FIRE DAMAGE (Any one fire) $ MED. EXPENSE (Any one person) $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT $1,000,000 BODILY INJURY (Per person) $ BODILY INJURY (Per accident) $ PROPERTY DAMAGE $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE $ AGGREGATE $
A	**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY**				STATUTORY LIMITS EACH ACCIDENT $1,000,000 DISEASE-POLICY LIMIT $1,000,000 DISEASE-EACH EMPLOYEE $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession				Minimum coverage $1,000,000 Each consultant/ $500,000 & listed sub-consultant

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER City of Oxnard Attn: Risk Manager Reference No. _____ 300 W. Third Street, Suite 302 Oxnard CA 93030	**CANCELLATION** SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

Rev. 6/17 Oxnard Internal Audit Agreement.docx

GENERAL LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____ with an Aggregate of $____ applies to _____ coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made
☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____
☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence

OTHER PROVISIONS

COVERAGES	LIABILITY LIMITS IN THOUSANDS $	
	EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ _____		
☐ _____		

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: ____
Address:

Telephone: (____)____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** *As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c)* premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** *With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior* written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   b. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No._____
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____
(original signature required)
Telephone: (____)_____ Date Signed: _____

Rev. 6/17 Oxnard Internal Audit Agreement.docx

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:
Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ❒ Included in Limits ❒ In Addition to Limits

❒ Deductible ❒ Self-Insured Retention (check which) of $ _____ with an Aggregate of $_____ applies to _____ coverage. ❒ Per Occurrence ❒ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ❒ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

❒ COMMERCIAL AUTO POLICY
❒ BUSINESS AUTO POLICY
❒ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.
Name:
Address:

Telephone: ( )____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD
Attn: Risk Manager
Reference No. _____
300 W. Third Street, Suite 302
Oxnard, CA 93030

AUTHORIZED REPRESENTATIVE

❒ Broker/Agent ❒ Underwriter ❒ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature ____
(original signature required)

Telephone: ( ) Date Signed _____

PRICPAI-01 SJESSICK

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 06/20/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0E02096
DiBuduo & DeFendis Insurance Brokers, LLC
P.O. Box 5479
Fresno, CA 93755-5479

CONTACT NAME:
PHONE (A/C, No, Ext): (559) 432-0222 FAX (A/C, No): (559) 431-7941
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Ohio Security Insurance Company	24082
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Price Paige & Company
677 Scott Ave.
Clovis, CA 93612

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE $	1,000,000
	CLAIMS-MADE X OCCUR	X		BZS56406019	03/08/2017	03/08/2018	DAMAGE TO RENTED PREMISES (Ea occurrence) $	1,000,000
							MED EXP (Any one person) $	15,000
							PERSONAL & ADV INJURY $	1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE $	2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG $	2,000,000
	OTHER:						Hired & NOA $	1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) $	
	ANY AUTO						BODILY INJURY (Per person) $	
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident) $	
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) $	
							$	
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE $	
	EXCESS LIAB CLAIMS-MADE						AGGREGATE $	
	DED RETENTION $						$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT $	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE $	
							E.L. DISEASE - POLICY LIMIT $	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
REference No. A-7986
The City of Oxnard, its officers, agents, employees, and volunteers are named as additional Insureds, insurance is primary & non-contributory as required by written contract as repects General Liability per attached form BP7996 0916.

CERTIFICATE HOLDER

City of Oxnard
Attn: Risk Manager - Reference No. A-7986
300 W. Third Street, Suite 302
Oxnard, CA 93030

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 06/21/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
PAYCHEX INSURANCE AGENCY, INC.
150 SAWGRASS DRIVE
ROCHESTER, NY 14620

CONTACT NAME: Paychex Insurance Agency Inc
PHONE (A/C, NO, EXT): 800-472-0072 FAX (A/C, No): 585-389-7426
E-MAIL ADDRESS: Certs@paychex.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	AmGUARD Insurance Company	42390
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
PRICE PAIGE & COMPANY ACCOUNTANCY CORPORATION
677 SCOTT AVE
CLOVIS, CA 93612

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	☐ ☐ CLAIMS-MADE ☐ OCCUR						MED EXP (Any one person)	$
	☐						PERSONAL & ADV INJURY	$
	☐						GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$
	☐ POLICY ☐ PROJECT ☐ LOC							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
	☐ ☐							$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			PRWC847273	04/01/2017	04/01/2018	X WC STATU TORY LIMITS ☐ OTH ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N: Y	N/A					E.L. EACH ACCIDENT	$ 1,000,000.00
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000.00
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000.00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Reference Number A-7966

CERTIFICATE HOLDER
City of Oxnard
Attn Risk Manager
300 West 3rd Street Suite Number 302
Oxnard, CA 93030

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS LIABILITY EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Below is a summarization of the coverages provided by this endorsement. No coverages are given by this summary. Actual coverage descriptions are within this endorsement.

SECTION	SUBJECT
A.	Supplementary Payments Bail Bonds Loss Of Earnings
B.	Broadened Coverage For Damage To Premises Rented To You
C.	Incidental Medical Malpractice Injury
D.	Mobile Equipment
E.	Blanket Additional Insured (Owners, Contractors Or Lessors)
F.	Newly Formed Or Acquired Organizations
G.	Aggregate Limits
H.	Duties In The Event Of Occurrence, Offense, Claim Or Suit
I.	Liability And Medical Expenses Definitions Bodily Injury Insured Contract Personal And Advertising Injury

Section II - Liability is amended as follows:

A. Supplementary Payments

Section **A.1. Business Liability** is modified as follows:

1. The $250 limit shown in Paragraph **A.1.f.(1)(b) Coverage Extension - Supplementary Payments** for the cost of bail bonds is replaced by a $3,000 limit.
2. The $250 limit shown in Paragraph **A.1.f.(1)(d) Coverage Extension - Supplementary Payments** for reasonable expenses and loss of earnings is replaced by a $500 limit.

B. Broadened Coverage For Damage To Premises Rented To You

1. The last paragraph of Section **B.1. Exclusions - Applicable To Business Liability Coverage** is replaced by the following:

   With respect to the premises which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., g., h., k., l., m., n.** and **o.** do not apply to "property damage".

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2. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

   The most we will pay under this endorsement for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Limit of Insurance shown in the Declarations.

3. Paragraph **D.3. Liability And Medical Expenses Limits Of Insurance** does not apply.

C. Incidental Medical Malpractice Injury

1. Paragraph **(4)** under Paragraph **B.1.j. Exclusions - Applicable To Business Liability Coverage - Professional Services** does not apply to "Incidental Medical Malpractice Injury" coverage.

2. With respect to this endorsement, the following is added to Section **F. Liability And Medical Expenses Definitions:**

   a. "Incidental Medical Malpractice Injury" means bodily injury arising out of the rendering of or failure to render, during the policy period, the following services:

      (1) Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or

      (2) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.

   b. This coverage does not apply to:

      (1) Expenses incurred by the insured for first-aid to others at the time of an accident and the Duties in the Event of Occurrence, Offense, Claim or Suit Condition is amended accordingly.

      (2) Any insured engaged in the business or occupation of providing any of the services described under **a.** above.

      (3) Injury caused by any indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under **a.** above.

D. Mobile Equipment

Section **C. Who Is An Insured** is amended to include any person driving "mobile equipment" with your permission.

E. Blanket Additional Insured (Owners, Contractors Or Lessors)

1. Section **C. Who Is An Insured** is amended to include as an insured any person or organization whom you are required to name as an additional insured on this policy under a written contract or written agreement. The written contract or agreement must be:

   a. Currently in effect or becoming effective during the term of this policy; and

   b. Executed prior to the "bodily injury", "property damage", or "personal and advertising injury".

2. The insurance afforded to the additional insured is limited as follows:

   a. The person or organization is only an additional insured with respect to liability arising out of:

      (1) Real property, as described in a written contract or written agreement, you own, rent, lease, maintain or occupy; and

      (2) Caused in whole or in part by your ongoing operations performed for that insured.

   b. The Limit of Insurance applicable to the additional insured are those specified in the written contract or written agreement or the limits available under this policy, as stated in the Declarations, whichever are less. These limits are inclusive of and not in addition to the Limit of Insurance available under this policy.

   c. The insurance afforded to the additional insured does not apply to:

      (1) Liability arising out of the sole negligence of the additional insured;

      (2) "Bodily injury", "property damage", "personal and advertising injury", or defense coverage under the Supplementary Payments section of the policy arising out of an architect's, engineer's or surveyor's rendering of or failure to render any professional services including:

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(a) The preparing or approving of maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and

(b) Supervisory, inspection, architectural or engineering activities.

(3) Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Declarations; or

(4) Structural alterations, new construction or demolition operations performed by or for the person or organization designated in the Declarations.

3. Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless a contract specifically requires that this insurance be primary or you request that it apply on a primary basis.

F. Newly Formed Or Acquired Organizations

The following is added to Section **C. Who Is An Insured:**

Any business entity acquired by you or incorporated or organized by you under the laws of any individual state of the United States of America over which you maintain majority ownership interest exceeding fifty percent. Such acquired or newly formed organization will qualify as a Named Insured if there is no similar insurance available to that entity. However:

1. Coverage under this provision is afforded only until the 180th day after the entity was acquired or incorporated or organized by you or the end of the policy period, whichever is earlier;

2. Section **A.1. Business Liability** does not apply to:

   a. "Bodily injury" or "property damage" that occurred before the entity was acquired or incorporated or organized by you; and

   b. "Personal and advertising injury" arising out of an offense committed before the entity was acquired or incorporated or organized by you.

3. Records and descriptions of operations must be maintained by the first Named Insured.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

G. Aggregate Limits

The following is added to Paragraph **D.4. Aggregate Limits** Liability and Medical Expenses Limits Of Insurance:

1. The Aggregate Limits apply separately to each of the "locations" owned by or rented to you or temporarily occupied by you with the permission of the owner.

2. The Aggregate Limits also apply separately to each of your projects away from premises owned by or rented to you.

   For the purpose of this endorsement only, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

H. Duties In The Event Of Occurrence, Offense, Claim Or Suit

1. Paragraph **E.2.a. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Condition applies only when the "occurrence" is known to any insured listed in Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.

2. Paragraph **E.2.b. Duties In The Event Of Occurrence, Offense, Claim Or Suit** Liability And Medical Expenses General Condition will not be considered breached unless the breach occurs after such claim or "suit" is known to any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.

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I. Section **F. Liability And Medical Expenses Definitions** is modified as follows:

1. Paragraph **F.3.** is replaced by the following:

   3. "Bodily Injury" means bodily injury, sickness, disease, or incidental medical malpractice injury sustained by a person, and includes mental anguish resulting from any of these; and including death resulting from any of these at any time.

2. Paragraph **F.9.** is replaced by the following:

   9. "Insured contract" means:

      a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

      b. A sidetrack agreement;

      c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

      d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

      e. An elevator maintenance agreement;

      f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

      Paragraph **f.** does not include that part of any contract or agreement:

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

         (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

3. Paragraph **F.14.b. Personal And Advertising Injury** is replaced by the following:

   b. Malicious prosecution or abuse of process;

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CAMICO

CAMICO MUTUAL INSURANCE COMPANY
DECLARATIONS
ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: CAL01159-31

Effective Date:	01/01/2017	at 12:01 A.M. Standard time at the address shown below
Expiration Date:	01/01/2018	at 12:01 A.M. Standard time at the address shown below
Retroactive Date:	11/16/1976	

Item 1 - Named Insured: Price, Paige & Co. Accountancy Corporation

Item 2 - Business Address: 677 Scott Ave.

Clovis, CA 93612

Item 3 - Limits of Liability:	$2,000,000	Per Claim
	$4,000,000	Policy Aggregate
Item 4 - Deductibles:	$5,000	Per Claim Deductible
	$15,000	Policy Aggregate Deductible
Item 5 - Total Premium:	$37,679	

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	07/14	Accountants Professional Liability Insurance Policy
PL-2001-A (CA)	07/14	State Endorsement - California
PL-1007-A	07/14	Exclusion - Claims Following Insureds Suit for Fees
PL-1002-A	07/14	Additional Named Insured Endorsement
PL-1002-A	07/14	Additional Named Insured Endorsement
PL-1033-A	07/14	Insurance Agent/Broker Exclusion
PL-1049-A	07/2014	Privacy and Client Network Damage Endorsement
PL-1056-A	06/16	Multiple Claims and Related Acts, Errors and Omissions Amendment

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative

FIRST AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

This First Amendment ("First Amendment") to the Agreement for Consulting Services A-7986 ("Agreement") is made and entered into in the County of Ventura, State of California, this 5th day of November, 2019, by and between the City of Oxnard, a municipal corporation ("City"), and Price Paige and Company ("Consultant"). This First Amendment amends the Agreement entered into on June 27, 2017, by City and Consultant.

City and Consultant (collectively the "Parties") agree as follows:

1. All references to the "Fiscal Policy Task Force," "Fiscal Policy Task Force Council Committee," and "Fiscal Policy and Audit Council Committee" throughout the Agreement and all exhibits thereto are hereby amended to the "Finance and Governance Committee." All references to the "Chair of FPTF" throughout the Agreement and all exhibits thereto are hereby amended to the "Chair of the Finance and Governance Committee."

2. Subsection 4 of subsection B (Administer Oxnard's new Whistleblower Hotline Policy) of Section I (Internal Auditor Basic Services) of Section I (Scope of Services) is hereby amended to state: "Provide periodic reports to the Finance and Governance Committee, at a frequency depending on volume but in any case at least every six months, including a list of the allegations received through the Hotline, including the priority assigned and the status or disposition of each reported allegation."

3. Subsection D (regarding overtime) of Section II (City Council Initial Audit Work Plan) of Section I (Scope of Services) is hereby amended to add the following sentence to the end: "The final report will be reported out to the Finance and Governance Committee and ultimately to the full City Council."

4. Subsection E (regarding the City's Golf Course) of Section II (City Council Initial Audit Work Plan) of Section I (Scope of Services) is hereby amended to add subsection 4, which states: "The final report will be reported out to the Finance and Governance Committee and ultimately to the full City Council."

5. Subsection A of Section III (Annual Audit Work Plan: Professional Standards, Implementation and Maintenance) of Section I (Scope of Services) is hereby amended to add subsection 5, which states: "The final audit reports will be reported out to the Finance and Governance Committee and ultimately to the full City Council."

6. Subsection A of Section III (Annual Audit Work Plan: Professional Standards, Implementation and Maintenance) of Section I (Scope of Services) of Exhibit A of the Agreement is hereby amended to state:

> "Provide resources to conduct specific internal audits effectively and efficiently according to relevant professional standards such as: Generally Accepted Government Auditing Standards (GAGAS) or other professional standards as promulgated by the American Institute of CPA's (AICPA) and/or Institute of Internal Auditors (IIA). The annual Audit Work Plan will be proposed by the Internal Auditor

but approved by the Finance and Governance Committee. The related work activities are as follows:"

7. New section IV (Regular Review of Priorities) is hereby added to Section I (Scope of Services) of Exhibit A and provides:

"A. In addition to the requirement in Section III (A) for the Finance and Governance Committee to approve the Internal Auditor's annual work plan, the Internal Auditor shall meet with the Chair of the Finance and Governance Committee at least every two months to review the Internal Auditor's priorities and current status of all such priorities. The Chair has the authority, granted to him or her by the City Council, to amend the priority order of existing work as well as to authorize new work. The Internal Auditor shall immediately adjust its work according to the Chair's approval at each such meeting.

B. Should a matter arise that the Internal Auditor determines is too urgent to wait until the next meeting with the Chair of the Finance and Governance Committee, the Internal Auditor shall immediately present this concern to the City Manager, or if the City Manager is implicated by this concern, to the City Attorney. The City Manager and City Attorney each have the authority, granted to each of them by the City Council, to individually authorize new work related only to this urgent matter. The Internal Auditor shall immediately adjust its work according to the City Manager or City Attorney's written approval. At the next meeting with the Chair of the Finance and Governance Committee, the Chair shall ratify this determination, unless the Chair is implicated in this concern, in which case the City Manager or City Attorney shall bring this item forth for ratification at the next possible date to either the Finance and Governance Committee or to the full Council. The determination of whether the item should go to this Committee or to the full Council shall be at the City Manager or City Attorney's discretion."

8. New section V (Regular Updates to Finance and Governance Committee) is hereby added to Section I (Scope of Services) of Exhibit A and provides: "The Internal Auditor shall present to the Finance and Governance Committee audit updates at least twice a year and present all audit reports as they are completed to this Committee and later to the City Council."

9. Exhibit B Schedule of Services is hereby replaced in its entirety with Exhibit B-1 Amended Schedule of Services, which is attached hereto and incorporated herein by this reference.

10. The line items and corresponding figures in Section I of Exhibit C (Compensation) are hereby amended to read as follows:

"A. Provide designated Internal Auditor basic services	$15,000
B. Provide Whistleblower Hotline services	$50,000
TOTAL	$65,000"

11. As so amended, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed the Amendment on the date first written above.

CITY OF OXNARD

_____ _____
Tim Flynn, Mayor Date

ATTEST:

_____ _____
Michelle Ascencion, Date
City Clerk

APPROVED AS TO FORM:

_____ _____
Stephen M. Fischer, Date
City Attorney

CONSULTANT

_____ _____
Fausto Hinojosa, Vice President Date

_____ _____
Mitch Buckley, Secretary Date

EXHIBIT B-1
AMENDED SCHEDULE OF SERVICES

I. High Risk Areas for Audit Consideration (updated September 2019)

Department	Specific Risks (does not mean controls are not in place)	Response	Timing	Anticipated Completion Date	Likelihood	Significance
City-wide (transactions to be tested across all City Departments):						
Accounts Payable	Fictitious vendors	IDEA	Annual	3/31/2020	Medium	High
	Fraudulent disbursements	IDEA	Annual	3/31/2020	Medium	High
	Duplicate payments	IDEA	Annual	3/31/2020	Medium	High
	Invoices exceeding purchase order amounts	IDEA	Annual	3/31/2020	Medium	High
	City issued credit cards	Potential IA	1st QTR 2020	2/28/2020	High	High
	Travel expenses/Employee expense reimbursements	Potential IA	1st QTR 2020	2/28/2020	High	High
Accounts Receivable and Billings	Misappropriation of cash receipts (permits, utilities, other fees)	Potential IA	3rd QTR 2020	12/31/2020	High	Medium
	Improper utility billing	External Audit	Annual	N/A	Medium	Medium
Purchasing	Noncompliance with bid policies	Potential IA	3rd QTR 2020	12/14/2020	High	Medium
	Bid splitting	Potential IA	3rd QTR 2020	12/14/2020	High	Medium
	Sole source contracts	Potential IA	3rd QTR 2020	12/14/2020	High	Medium
Payroll/HR	Ghost employees	IDEA	Annual	3/31/2020	Medium	Medium
	Excessive overtime	IDEA/ IA Work Plan	In progress	11/15/2019	High	High
	Improper classification of pay for PERS purposes	Potential IA	3rd QTR 2020	12/31/2020	Medium	Medium
City of Oxnard Major Departments						
Federal and State Programs	Unallowable expenditures for major and/or material programs	External Audit	Annual	N/A	Medium	Medium
Fire Department	Overtime analysis	IA Work Plan	In progress	11/15/2019	High	High
Police Department	Overtime analysis	IA Work Plan	In progress	11/15/2019	High	High
	Handling of confiscated cash and other assets	Potential IA	4th QTR 2020	2/28/2021	Medium	Low
Public Works: Water	Inventory theft	Potential IA	4th QTR 2020	2/28/2021	High	Low
Wastewater	Inventory theft	Potential IA	4th QTR 2020	2/28/2021	High	Low
Environmental Services	Misappropriation of cash receipts	Potential IA	Completed	9/30/2019	Medium	Low
	Inventory theft	Potential IA	4th QTR 2020	2/28/2021	High	Low
Fleet	Inventory theft	Potential IA	4th QTR 2020	2/28/2021	High	Low
Program Specific Audits						
Golf Course	Performance audit	IA Work Plan	In progress	12/31/2019	Medium	Medium
Performing Arts &	Performance audit	IA Work	Completed	9/13/2019	Medium	Medium

Convention Center City Corp	Performance audit	Plan IA Work Plan	In progress	10/31/2019	Medium	Medium

Legend:
IDEA-Data analysis software
EA-External Auditor

Note: The anticipated completion date is dependent upon the acceptance of the internal audit work plan by the Finance and Governance Committee and the City's ability to provide information as requested.

II. Internal Audit Basic Services

a. Provide designated City Internal Auditor and commence basic services
b. Provide Whistleblower Hotline services

These services will commence within three weeks from contract execution.

III. Audit Work Plan

a. Conduct comprehensive performance audit of Oxnard's City Corp Program
b. Conduct comprehensive performance audit of Oxnard's Performing Arts and Convention Center (PACC) Program
c. Conduct a comprehensive audit of the City's use and management of overtime
d. Conduct a comprehensive performance audit of the City's Golf operation
e. Conduct a comprehensive audit of Environmental Resources cash handling
f. Conduct a comprehensive audit of IDEA Warrants and Disbursements and a Payroll analysis
g. Conduct a comprehensive audit of all City-issued credit cards and travel reimbursements

These activities must be completed in the City's 2019-20 fiscal year.

IV. Annual Audit Work Plan: Professional Standards, Implementation and Maintenance

This is ongoing activity; however, any annual audit work plan must be completed by March 31st of the immediately preceding fiscal year.

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD DELEGATING TO THE FINANCE AND GOVERNANCE COMMITTEE AND ITS CHAIR (AND IN LIMITED CIRCUMSTANCES, THE CITY MANAGER OR CITY ATTORNEY) OVERSIGHT AND COORDINATION OF INTERNAL AUDITOR SERVICES, AND AMENDING THE WHISTLEBLOWER HOTLINE POLICY

WHEREAS, on April 5, 2016, the City Council adopted Resolution No. 14,906, adopting a whistleblower hotline policy. The whistleblower hotline policy provides that an Internal Auditor under contract with the City would review and investigate reports of fraud, waste and abuse received through the whistleblower hotline to be administered by the Internal Auditor, and periodically report to the City Council on allegations received through the whistleblower hotline; and

WHEREAS, on June 27, 2017, the City Council approved Agreement No. A-7986 with Price Paige and Company for Internal Auditor services to be subject to the direction of the City Council through the Fiscal Policy Task Force Council Committee and the entire Council; and

WHEREAS, on November 13, 2018, the City Council adopted Ordinance No. 2949 amending the City Code to establish a new City Council committee structure. Under the new committee structure, the Fiscal Policy Task Force Council Committee was disbanded and its functions assigned to a Finance and Governance Committee; and

WHEREAS, the City Council wishes to clarify the role of the Finance and Governance Committee and its Chair in directing the Internal Auditor, delegate authority to the City Manager or City Attorney to provide direction regarding urgent matters, and amend the whistleblower hotline policy regarding periodic reporting of allegations received through the whistleblower hotline.

NOW, THEREFORE, the City Council of the City of Oxnard resolves:

1. The Finance and Governance Committee and the Chair of the Finance and Governance Committee are hereby delegated the following authority to oversee and coordinate the services of the Internal Auditor as provided in the agreement approved by the City Council: (A) The Finance and Governance Committee shall approve the Internal Auditor's annual work plan; (B) the Internal Auditor shall meet with the Chair of the Finance and Governance Committee at least every two months to review the Internal Auditor's priorities and current status of all such priorities, and the Chair has the authority to amend the priority order of existing work as well as to authorize new work.

2. Should a matter arise that the Internal Auditor determines is too urgent to wait until the next meeting with the Chair of the Finance and Governance Committee, the Internal Auditor shall immediately present this concern to the City Manager, or if the City Manager is implicated

by this concern, to the City Attorney. In such circumstances, the City Manager and City Attorney may authorize new work related only to this urgent matter. At the next meeting with the Chair of the Finance and Governance Committee, the Chair shall ratify this determination, unless the Chair is implicated in this concern, in which case the City Manager or City Attorney shall bring this item forth for ratification at the next possible date to either the Finance and Governance Committee or to the full Council. The determination of whether the item should go to this Committee or to the full Council shall be at the City Manager or City Attorney's discretion.

3. In the "High Priority" subsection of the "Allegations" section of the City of Oxnard Whistleblower Hotline Policy (Exhibit "A" to Resolution No. 14,906), the last sentence is hereby amended to read as follows:

> "In addition, the City official(s) authorized to provide direction to the Internal Auditor in a particular matter may direct the Internal Auditor that such matter shall take priority over other investigations and audits."

4. In the "Low Priority" subsection of the "Allegations" section of the City of Oxnard Whistleblower Hotline Policy (Exhibit "A" to Resolution No. 14,906), the second sentence is hereby amended to read as follows:

> "The Internal Auditor shall bring such matters to the attention of the Chair of the Finance and Governance Committee for direction regarding when to investigate items in this list given other priorities, limited resources, or if the complaint is insubstantial due to a lack of sufficient information to warrant an investigation."

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5. The "Periodic Reporting" section of the City of Oxnard Whistleblower Hotline Policy (Exhibit "A" to Resolution No. 14,906) is hereby amended to read as follows:

> "The Internal Auditor shall, at least every six months, report to the Finance and Governance Committee on the allegations received through the Whistleblower Hotline, including the priority assigned and the status or disposition of each reported allegation."

PASSED AND ADOPTED THIS _____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Tim Flynn, Mayor

ATTEST:

_____
Michelle Ascencion, City Clerk

APPROVED AS TO FORM:

_____
Stephen M. Fischer, City Attorney

INTERNAL AUDITOR'S CONTRACT AMENDMENT & RESOLUTION

Shiri Klima, Deputy City Manager
Presentation for Finance and Governance (F&G) Committee
October 8, 2019

FISCAL YEAR 2017/18 INVOICES BILLED

Work Completed	Amount
Whistleblower Hotline: Monitoring & Investigations	$29,722
Internal Auditor Basic Services	$8,781
Risk Assessment	$43,346
Payroll/Overtime Analysis	$43,104
Golf Course Performance Audit	$2,215
City Corps Performance Audit	$235
TOTAL	**$127,403**

FISCAL YEAR 2018/19 INVOICES BILLED

Work Completed	Amount
Whistleblower Hotline: Monitoring & Investigations	$14,630
Internal Auditor Basic Services	$18,335
Risk Assessment	$2,260
Payroll/Overtime Analysis	$15,790
Golf Course Performance Audit	$2,475
City Corps Performance Audit	$7,045
PACC Performance Audit	$11,965
Environmental Resources Performance Audit*	$49,980
TOTAL	**$122,480**

* Requires approval

FISCAL YEAR 2019/20 PROPOSED WORK PLAN

Work Completed	Amount
Whistleblower Hotline: Monitoring & Investigations	$50,000
Internal Auditor Basic Services	$15,000
Payroll/Overtime Analysis	$15,000
Golf Course Performance Audit	$15,000
City Corps Performance Audit	$12,000
PACC Performance Audit	$10,000
Environmental Resources Performance Audit*	$7,500
IDEA Warrant/Disbursement and Payroll Analysis	$45,000
Credit Card and Travel Reimbursements	$20,000
TOTAL	**$189,500**

CONTRACT AMENDMENT

1. After FY 2019-20 approval, Internal Auditor only comes to F&G Committee—not full Council—for annual work plan approval

2. At least once every two months, Internal Auditor meets with F&G Committee Chair to provide updated and amend priorities

3. Internal Auditor presents to F&G Committee audit updates at least twice a year

4. Internal Auditor presents all audit reports once completed to F&G Committee and later to Council

5. If urgent concern, Internal Auditor immediately notifies City Manager/ City Attorney, who can authorize an audit, subject to ratification by F&G Chair

RESOLUTION

1. Council delegates:
   - To the F&G Committee the authority to approve the Internal Auditor's annual work plan & receive the updates on the Whistleblower Hotline
   - To the F&G Committee's Chair the authority to review the Internal Auditor's priorities every 2 months and, if needed, to amend the priority order of existing work as well as to authorize new work, which must be ratified by F&G Committee
   - To the City Manager/ City Attorney the authority to authorize new work if urgent, which must be ratified by the F&G Committee Chair
2. Consider amending the Whistleblower Hotline Policy to ensure City officials provide criteria to the Internal Auditor regarding which matters take priority over other investigations and audits

RECOMMENDATIONS

1. That the F&G Committee recommends that City Council authorize and the Mayor execute a First Amendment with Price Paige and Company to amend required protocols; and

2. That the F&G Committee recommends that City Council adopt a resolution delegating to the F&G Committee and its Chair (and in limited circumstances, the City Manager or City Attorney) oversight, coordination and management of Internal Auditor services, and amending the Whistleblower Hotline Policy.

QUESTIONS?