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.

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
November 14, 2023
Regular Meeting - 5:00 to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 814 9011 7086
3. Passcode: 532807

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. Follow Zoom details listed above.

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 include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

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 requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak 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/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the October 24, 2023 regular meeting as presented.
Contact: Dee Lai, (805) 385-8200

D. REPORTS

1. Finance Department
SUBJECT: Update on the Financial Corrective Action Plan (FCAP) For Closing Past Audit Findings (20 minutes).
RECOMMENDATION: That the Finance and Governance Committee receive an update on the Financial Corrective Action Plan (FCAP) for closing past audit findings and recommend staff forward the presentation to City Council.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/HGg3o3qclrg
Contact: Javier Chagoyen-Lazaro, (805) 385-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

CITY OF OXNARD CALIFORNIA

DATE: November 14, 2023

TO: Finance & Governance Committee

FROM: Dee Lai, Assistant City Clerk, (805) 385-8200, dee.lai@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance & Governance Committee approve the minutes of the October 24, 2023 regular meeting as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Dee Lai, Assistant City Clerk

ATTACHMENTS

1. 10 24 2023 FG Minutes

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
October 24, 2023

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:00 p.m., Chair John C. Zaragoza 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. Dee Lai, Assistant City Clerk called the roll and announced the posting of the agenda. Chair John C. Zaragoza, and Member Gabriel (Gabe) Teran were present in person. Member Gabriela Basua was absent.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

No public comments were received.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the September 26, 2023 regular meeting as presented.

No public comments were received.

It was moved by Member Teran, seconded by Chair Zaragoza, to approve the Information/Consent item as presented. VOTE: Teran, and Zaragoza voted in favor; the motion passed 2-0. Member Basua was absent

D. REPORTS

1. Community Development Department
SUBJECT: Commercial Cannabis Financial Auditing Services Agreement with Avenu Insights & Analytics, LLC (10 minutes).
RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute a 3 - year agreement (Agreement No. 3240018) with Avenu Insights & Analytics, LLC. ("Avenu"), in an amount not to exceed $570,000 for commercial cannabis financial auditing services.

Kathleen Mallory, Planning and Sustainability Manager, and Jeff Pengilley, Community Development Director, were available to answer the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran*, seconded by Chair Zaragoza,* to approve the recommended action as presented. VOTE: Teran, and Zaragoza voted in favor; the motion passed 2-0. Member Basua was absent.

2. Community Development Department
SUBJECT: Revision to the Planning Commission Rules and Procedures (Bylaws) (10 minutes)
RECOMMENDATION: That the Finance & Governance Committee recommend that the City Council approve the Planning Commission's proposed revisions to the Planning Commission Rules and Procedures (Bylaws) with staff's recommended changes.

Joe Pearson, Planning Manager and Jeff Pengilley, Community Development Director, were available to answer the Committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran*, seconded by Chair Zaragoza,* to approve the recommended action as presented. VOTE: Teran, and Zaragoza voted in favor; the motion passed 2-0. Member Basua was absent

E. ITEMS FOR FUTURE AGENDAS

No requests were made.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:28 p.m.

____
DEE LAI
Assistant City Clerk

____
JOHN C. ZARAGOZA
Chair

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: November 14, 2023

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 385-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Update on the Financial Corrective Action Plan (FCAP) For Closing Past Audit Findings (20 minutes).

RECOMMENDATION

That the Finance and Governance Committee receive an update on the Financial Corrective Action Plan (FCAP) for closing past audit findings and recommend staff forward the presentation to City Council.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/HGg3o3qclrg

BACKGROUND

The City's annual audit for FY 2014-15 produced 111 single-audit findings. These findings primarily concerned the City's policies and procedures (or lack thereof) for accounting and financial management. Between fiscal year 2016 through the fiscal year ended June 30, 2018, the City's annual audits continued to identify new findings in the double digits. For FY 2019-20, there was one additional audit finding, for Information Technology General Controls, which was communicated to City Council via a separate confidential written report due to its sensitive nature For FY 2020-21, there was one new finding for accounting and financial management, but only two earlier audit findings remain unresolved, and there were no material weaknesses. For FY 2021-22, there were no new findings for accounting and financial management; only two prior findings remain unresolved. FY 2021-22 is the third year in a row where the City had no material weaknesses. Below is a table summarizing audit finding history.

History of Findings by Fiscal Year	A # of New Finding	B # of Repeat Findings	C = (A+B) + Prior Year C Total # of Findings
FY 2014-15	111	0	111
FY 2015-16	5	0	116
FY 2016-17	10	9	135
FY 2017-18	24	13	172

FY 2018-19	8	3	183
FY 2019-20	1	0	184
FY 2020-21	1	1	186
FY 2021-22	0	0	186

In order to correct the various accounting and financial management audit findings, the City was required to produce a Corrective Action Plan, or CAP. This plan, updated annually, addresses all unresolved findings, and the steps and timeline to correct them. Staff created a detailed audit scorecard, and began presenting it to the Finance & Governance Committee, and to City Council, every six months.

DISCUSSION

During our FY 21-22 Single Audit, Eadie + Payne determined that City sufficiently completed the corrective action plan for the finding identified in the FY 20-21 audit related to the CDBG HUD findings. Only two findings remain outstanding, the findings related to (1) the Indirect Cost Allocation Plan Update and (2) the Information Technology General Controls.

We have continued to make progress on the corrective actions for both findings. For the Indirect Cost Allocation Plan finding, the City has developed the central cost allocation plan that includes a cost allocation method for indirect costs. The new central cost allocation plan was completed after the FY 23-24 budget cycle; the City plans to implement the cost allocation plan with the FY 24-25 budget. The City Council will continue to receive updates on the IT General Controls finding through separate confidential reports.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Jennifer Hiraoka, Senior Manager Internal Controls

ATTACHMENTS

1. Update on the Financial Corrective Action Plan for Closing Past Audit Findings

UPDATE ON THE FINANCIAL CORRECTIVE ACTION PLAN FOR CLOSING PAST AUDIT FINDINGS

Presentation to Finance and Governance Committee

Jennifer Hiraoka, Senior Manager Internal Controls

November 14, 2023

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That Finance & Governance Committee receive the update on the Financial Corrective Action Plan (CAP) for closing past audit findings and recommend staff forward the presentation to City Council.

- Status of Financial Corrective Action Plan
- Continued progress

CAP STATUS DEFINITIONS

Complete – Auditors have tested and determined that corrective action for the finding has been effectively implemented

To Be Tested – Policies and Procedures (P&P) approved (if applicable), training completed and corrective action ready for auditors to test during the next single audit

P&P Draft – P&P drafted but not yet approved by CFO and/or training not yet provided.

In Progress – Staff has taken steps towards implementation, but not yet drafted P&P or completed training

Not Started – Staff has not initiated mitigations, implemented resolutions or provided training

Passed/No Longer Required – Staff disagrees with the finding and/or auditors have determined corrective action is no longer required

CORRECTIVE ACTION PLAN STATUS THROUGH OCTOBER 2022

FINDINGS STATUS (2015-2021) (as of October '22)	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY	Non-Compliance	Best Practice	TOTAL
TOTAL Findings	**72**	**78**	**17**	**19**	**186**
Repeat Findings	*(7)*	*(12)*	*(4)*	*(4)*	*(27)*
TOTAL Unique Findings	**65**	**66**	**13**	**15**	**159**
COMPLETE	63	60	7	12	142
Passed / No Longer Required	2	3	6	3	14
TO BE TESTED	0	0	0	0	0
P&P DRAFT	0	0	0	0	0
IN PROGRESS	0	3	0	0	3
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Findings	**0**	**3**	**0**	**0**	**3**

ONE AUDIT FINDING CLEARED DURING FY 21-22 SINGLE AUDIT

- During our FY 21-22 Single Audit, Eadie + Payne determined that the City sufficiently completed the corrective action plan for the finding identified in the FY 20-21 audit related to the Community Development Block Grant Program (CDBG) U.S. Department of Housing and Urban Development (HUD) findings.
- Only two (2) outstanding findings remain “In Progress” and were not ready “To Be Tested” during Eadie+Payne’s Single Audit in January 2023.

FY 2022 SINGLE AUDIT RESULTED IN NO ADDITIONAL FINDINGS, 2 PREVIOUS FINDINGS REMAIN UNRESOLVED – NO MATERIAL WEAKNESSES

FINDINGS STATUS (2015-2022) (as of October '23)	MATERIAL WEAKNESS	SIGNIFICANT DEFICIENCY	Non-Compliance	Best Practice	TOTAL
TOTAL Findings	72	78	17	19	186
Repeat Findings	*(7)*	*(12)*	*(4)*	*(4)*	*(27)*
TOTAL Unique Findings	65	66	13	15	159
COMPLETE	63	61	7	12	143
Passed / No Longer Required	2	3	6	3	14
TO BE TESTED	0	0	0	0	0
P&P DRAFT	0	0	0	0	0
IN PROGRESS	0	2	0	0	2
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Findings	0	2	0	0	2

The FY 2022-23 audit is currently in progress.
Results will be provided during our next update.

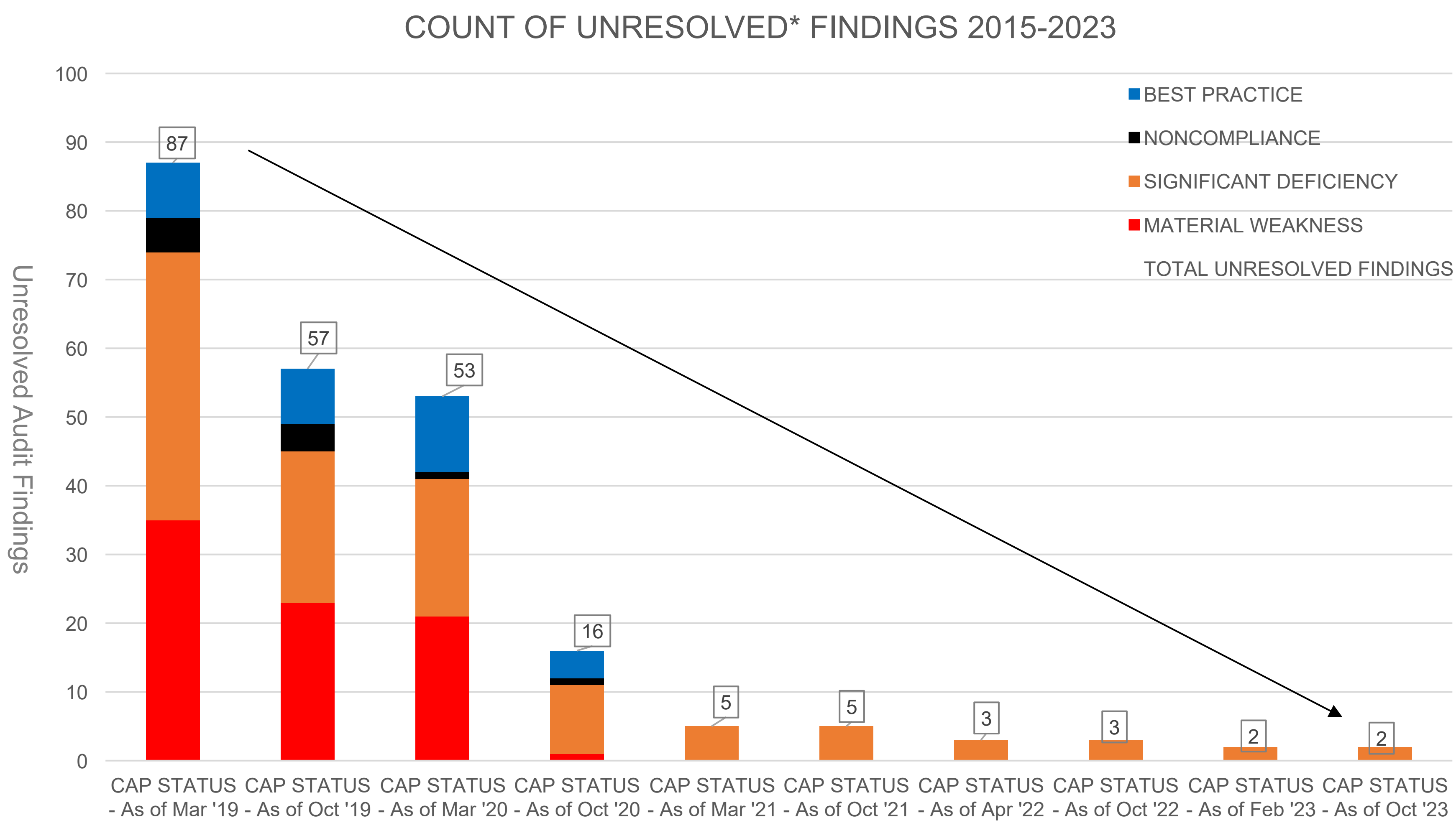
REMAINING AUDIT FINDINGS

The two (2) outstanding remaining findings:

Prior Audit Findings:

- Update to Indirect Cost Allocation Plan [Finance Department] – new cost allocation plan was completed after the FY23-24 budget cycle and will be implemented with the FY 24-25 budget
- Information Technology (IT) General Controls [IT Department] – City Council continues to receive updates via separate confidential reports

COMPLIANCE IMPROVEMENT



*Includes all unique findings excluding "Complete" or "Passed/No Longer Required" status

PROGRESS CONTINUES

- Completed FY 22-23 Targeted Risk Assessment reinforcing policies, procedures and controls.
- Continue to update financial processes and procedures during the ERP stabilization period.
- Completed a Cost Allocation plan and will implement it with the FY 24-25 budget.
- Continue training for the Accounting team. The team attended the FY 22-23 *GFOA Governmental Generally Accepted Accounting Principles (GAAP) Update* and other relevant governmental accounting and financial reporting training sponsored by reputable professional associations and accounting firms providing services to government agencies.
- In preparation for the FY 23-24 financial reporting cycle, the team will receive training on governmental GAAP and GASB updates and other relevant topics.

CITY OF OXNARD CALIFORNIA

Questions?