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
April 23, 2024
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: 845 6850 8596
3. Passcode: 764238

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 April 9, 2024 regular meeting as presented.
Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. Finance Department
SUBJECT: Presentation of Single Audit Report. (20 Minutes)
RECOMMENDATION: That the Finance and Governance Committee receive the 2023 Single Audit Report from the audit firm Eadie + Payne and recommend staff to forward presentation to the City Council.

(Eadie + Payne Presentation will be live upon consultant's request).
Contact: Javier Chagoyen-Lazaro, (805) 200-5400

2. Finance Department
SUBJECT: Update on the Financial Corrective Action Plan (FCAP) for Closing Past Audit Findings. (10 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/rSQA2H21imA

Contact: Javier Chagoyen-Lazaro, (805) 200-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: April 23, 2024

TO: Finance & Governance Committee

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance & Governance Committee approve the minutes of the April 9, 2024 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: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 04 09 2024 Finance & Governance

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
April 9, 2024

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 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. The City Clerk called the roll and announced the posting of the agenda. Chair John C. Zaragoza and Member Gabe Teran were present in person. Member Gabriela Basua joined the meeting at 5:05 p.m.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Public comments were received from Steven Sutler (Wagon Wheel exercise equipment and bike lane).

C. CONSENT AGENDA

1. City Clerk Department
   SUBJECT: Approval of Minutes.
   RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the March 26, 2024, regular meeting as presented.

It was moved by Member Teran, seconded by Member Basua, to approve the Information/Consent item as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

D. REPORTS

1. Information Technology Department
   SUBJECT: Fourth Amendment to Agreement A-8011 with Superion LLC, a CentralSquare Company, for Information Technology Software and Services.
   RECOMMENDATION: That the Finance and Governance Committee recommend that City Council approve and authorize the Mayor to execute a Fourth Amendment to Software License Agreement A-8011 with Superion LLC, a CentralSquare Company, in the amount of $327,800 for FY24-25 with a new not-to-exceed total agreement amount of $2,398,781 for information technology software and services.

Robert Ruben, Chief Information Officer was available to answer the Committee’s questions.

No public comments were received.

It was moved by Member Basua, seconded by Member Teran, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

2. Finance Department
   SUBJECT: Amendment to External Auditor Agreement for Annual Auditing Services.
   RECOMMENDATION: That the Finance and Governance Committee recommend that the City Council approve and authorize the Mayor to execute the Second Amendment to Agreement A-8223 with Eadie + Payne, LLP, to increase the amount by $62,700, for a total amended not-to-exceed amount over 5 years of $1,157,800 for FY 2022-23 and FY 2023-24 Annual Comprehensive Financial Reporting (ACFR)/Single-Audit/Ancillary Assistance.

Javier Chagoyen Lazaro, Chief Financial Officer introduced Eden Casareno, Partner In-Charge of Attest Services with Eadie+Payne, who presented and answered the Committees questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran, seconded by Member Basua, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

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 5:21 p.m.

ROSE CHAPARRO

City Clerk

JOHN C. ZARAGOZA

Chair

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: April 23, 2024

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Presentation of Single Audit Report. (20 Minutes)

RECOMMENDATION

That the Finance and Governance Committee receive the 2023 Single Audit Report from the audit firm Eadie + Payne and recommend staff to forward presentation to the City Council.

(Eadie + Payne Presentation will be live upon consultant's request).

BACKGROUND

The Single Audit is a rigorous, organization-wide audit of the City's grant funded programs that expend $750,000 or more of federal grants or assistance. The objective of the Single Audit is to provide assurance to the federal government as to the management and use of such funds by the City. The audit is performed by the City's independent auditor, Eadie + Payne, LLP, and the report is issued annually showing the City of Oxnard's expenditures of federal awards. Eadie + Payne, LLP will present its audit opinion of the City of Oxnard Single Audit Report for the fiscal year ending June 30, 2023.

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: Beth Vo, Assistant Chief Financial Officer

ATTACHMENTS

1. 2023 Single Audit Report
2. 2023 Single Audit Presentation

SINGLE AUDIT REPORT

FISCAL YEAR ENDED
JUNE 30, 2023

CITY OF
OXNARD
CALIFORNIA

CITY OF OXNARD

CONTENTS

JUNE 30, 2023

EADIE PAYNE LLP

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Riverside, CA 92501

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable City Council
City of Oxnard
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oxnard, California (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2024. Our report includes a reference to other auditors who audited the financial statements of Oxnard Housing Authority, as described in our report on the City's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eadie and Payne, LLP

Riverside, California
March 22, 2024

EADIE PAYNE LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

The Honorable City Council
City of Oxnard
Oxnard, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Oxnard's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended June 30, 2023. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Oxnard Housing Authority, which expended $30,777,385 in Federal awards during the year ended June 30, 2023 which is not included in the City's schedule of expenditures of Federal awards. Our audit, described below, did not include the operations of the Oxnard Housing Authority, because it engaged other auditors to perform an audit in accordance with the Uniform Guidance.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eadie and Payne, LLP

Riverside, California
March 22, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF OXNARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development				
CDBG - Entitlement Grants Cluster				
Direct Program				
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-06-0534	$ 363,253	$ -
		B-19-MC-06-0534	40,327	-
		B-22-MC-06-0534	772,537	74,372
COVID-19 Community Development Block Grants CARES Act	14.218	B-20-MW-06-0534	89,649	79,442
Total CDBG - Entitlement Grants Cluster			1,265,766	153,814
Direct Program				
Emergency Solutions Grants Program	14.231	E-21-MC-06-0534	180,567	172,796
		E-22-MC-06-0534	72,997	64,997
COVID-19 Emergency Solutions Grants - CARES Act	14.231	E-20-MW-06-05-34	697,164	697,184
			950,728	934,977
Direct Program				
HOME Investment Partnership Program	14.239	M-22-MC060526	2,680,580	-
HOME Investment Partnership Program - Home ARP	14.239	M-21-MC-06-0526	46,345	-
			2,726,925	-
Total U.S. Department of Housing and Urban Development			**4,943,419**	**1,088,791**
U.S. Department of Homeland Security				
Passed through the County of Ventura				
FY 2020 Homeland Security Grant Program -USAR	97.067	2020-0095	30,000	-
FY 2020 Homeland Security Grant Program -CERT	97.067	2020-0095	2,788	-
FY 2021 Homeland Security Grant Program -CERT	97.067	2021-0081	1,704	-
Emergency Management Performance Grant FY21	97.067	2021-0015	36,393	-
			70,885	-
Passed through the County of Ventura				
FEMA Assistance to Firefighters Grant FY20 Medic Monitors and AEDs	97.044	EMW-2020-FG-18234	301,276	-
FEMA Assistance to Firefighters Grant FY20 Portable Radios	97.044	EMW-2020-FG-18616	205,227	-
			506,503	-
Direct Program				
FEMA-Assistance to Firefighters Grant FY19	97.044	EMW-2019-FG-09826	85,098	-
FEMA-Assistance to Firefighters Grant FY19	97.044	EMW-2019-FG-09714	21,353	-
FEMA-Assistance to Firefighters Grant FY20	97.044	EMW-2020-FG-13213	256,255	-
FEMA-Fire Prevention & Safety Grant FY20 (FP&S Smoke)	97.044	EMW-2020-FP-00777	25,333	-
			388,039	-
			894,542	-
Direct Program				
FEMA-Staffing for Adequate Fire and Emergency Response FY20	97.083	EMW-2020-FF-01126	301,465	-
SAFER-Staffing for Adequate Fire & Emergency Response Grant FY2021	97.083	EMW-2021-FF-01664	155,762	-
			457,227	-
Passed through the California Office of Emergency Services				
FEMA - Hazard Mitigation Grant - Central Trunk Sanitary Sewer	97.039	HMGP #4407-431-079R	130,824	-
FEMA - Hazard Mitigation Grant - OWTP Generator	97.039	HMGP #4353-189-036R	1,825,382	-
			1,956,206	-
Total U.S. Department of Homeland Security			**3,378,860**	-

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

CITY OF OXNARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
U.S. Department of Justice				
Direct Program				
Equitable Sharing Program	16.922	CA0560400-NCIC	72,587	-
			72,587	-
Direct Program				
FY18 Edward Byrne Justice Assistance Grant (JAG)	16.738	2018-DJ-BX-0852	63,173	23,330
FY19 Edward Byrne Justice Assistance Grant (JAG)	16.738	2019-DJ-BX-0688	71,075	11,138
FY20 Edward Byrne Justice Assistance Grant (JAG)	16.738	2020-DJ-BX-0781	18,238	-
			152,486	34,468
Passed through the County of Ventura Sheriff Department				
FY21 National Sexual Assault Kit Initiative(SAKI)	16.833	VTA CO SHERIFF-VSCO SAKI	20,659	-
			20,659	-
Total U.S. Department of Justice			**245,732**	**34,468**
U.S. Department of Transportation				
Highway Planning and Construction Cluster				
Passed through the State of California Department of Transportation				
Northside Vta Blvd. Between Balboa & Rose Avenue	20.205	CML-5129 (078)	1,277,490	-
Traffic Signal Various Locations	20.205	HSIPL 5129 (093)	136,235	-
City Wide Signal Mod	20.205	HSIPL 5129 (095)	2,227,173	-
Channel Island Blvd over Mandalay Bay - Bridge	20.205	BHLS-5129 (069)	570,359	-
Channel Island Blvd over Edison Canal - Bridge	20.205	BHLS-5129 (070)	732,308	-
Total Highway Planning and Construction Cluster			4,943,565	-
Highway Safety Cluster				
Passed through the State of California Office of Traffic Safety				
OTS Pedestrian & Bicycle Safety Program-2022	20.600	PS22009	5,441	-
OTS Traffic Enforcement - 2022	20.600	PT22050	30,815	-
OTS Traffic Enforcement - 2023	20.600	PT23136	99,330	-
Total Highway Safety Cluster			135,586	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Passed through the State of California Office of Traffic Safety				
OTS Traffic Enforcement - 2022	20.608	PT22050	74,075	-
OTS Traffic Enforcement - 2023	20.608	PT23136	183,749	-
			257,824	-
Total U.S. Department of Transportation			**5,336,975**	**-**
Corporation for National and Community Service				
Direct Program				
Retired and Senior Volunteer Program FY22-23	94.002	19SRPCA007	62,063	-
			62,063	-
Total Corporation for National and Community Service			**62,063**	**-**

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

CITY OF OXNARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Program Identification Number	Total Program Expenditures	Total Amount Provided to Subrecipients
U.S. Department of Health and Human Services				
Pass through the California Department of Public Health Through County of Ventura				
COVID-19 ELC Enhancing Detection Expansion Funding	N/A	COVID-19ELC114	51,940	-
			51,940	-
Aging Cluster				
Pass through the County of Ventura Area Agency on Aging				
Special Programs for the Aging, Senior Nutrition Services	93.045	3500FY23-05	149,245	-
Total Aging Cluster			149,245	-
Total U.S. Department of Health and Human Services			**201,185**	**-**
U.S. Department of Treasury				
Direct Program				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	9,630,698	332,329
			9,630,698	332,329
Passed through California Water Resources Control Board				
Coronavirus State &Local Fiscal Recovery-Wastewater Arrearage Payment Program	21.027	CA5610007-01	552,267	-
			552,267	-
			10,182,965	332,329
Passed through California Department of Treasury				
Emergency Rental Assistance Round 1 (Administrative Cost)	21.023	21-ERAP-10003	18,864	-
			18,864	-
Total U.S. Department of the Treasury			**10,201,829**	**332,329**
U.S. Environmental Protection Agency				
Direct Program				
Solid Waste Management Assistance Grants	66.808	98T18001	25,752	-
			25,752	-
Total U.S. Department of Protection Agency			**25,752**	**-**
Total Direct Program			15,732,271	1,455,588
Total Pass Through			8,663,544	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 24,395,815**	**$ 1,455,588**

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance.

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal awards (Schedule) includes the Federal award activity of City of Oxnard (City) under programs of the Federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City. It does not include the Federal award activity of Oxnard Housing Authority, a blended component unit of the City, which expended $30,777,385 in Federal awards.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **INDIRECT COST RATE**

The City has not elected to use the 10% de minimis indirect cost rate.

4. **FEDERALLY-FUNDED LOANS**

The City administers loans, primarily forgivable loans, made from funds provided by the following Federal programs for the year ended June 30, 2023:

FEDERAL PROGRAMS	LOANS OUTSTANDING
Community Development Block Grants (Assistance Listing #14.218)	$ 3,624,330
HOME Investment Partnership Program (Assistance Listing #14.239)	11,973,906

CITY OF OXNARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified*			
Internal control over financial reporting:				
• Material weaknesses identified?	____	Yes	x	No
• Significant deficiencies identified?	____	Yes	x	None reported
Noncompliance material to financial statements noted:	____	Yes	x	No

Federal Awards

Internal control over major programs:				
Material weaknesses identified?	____	Yes	x	No
Significant deficiencies identified?	____	Yes	x	None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	Yes	x	No

Identification of major programs:

CFDA No.	Name of Federal Program or Cluster
14.239	HOME Investment Partnership Program
97.044	Assistance to Firefighters Program
97.039	Hazard Mitigation Grant Program
20.205	Highway Planning and Construction Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	x	Yes	____	No

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CURRENT YEAR

MAJOR FEDERAL AWARD PROGRAMS

None

FINANCIAL STATEMENTS

None

PRIOR YEAR

FINANCIAL STATEMENTS

Information Technology (IT) General Controls	2020-001

FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS

None

FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

None

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENTS

2020-001 – Information Technology (IT) General Controls (SD)

Criteria: IT general controls (ITGC) are basic controls applied to IT systems. The objectives of ITGC are to ensure the integrity of data and processes that the IT systems support. ITGC have a pervasive effect on the City's system of internal control over financial reporting.

Condition: We evaluated the design and implementation of ITGCs and noted 12 findings. We communicated such findings to the IT Department. Because those findings reveal vulnerabilities to, or otherwise increase the potential for an attack on, the information technology systems of the City, the details of the findings will not be published in this document. They will, however, be communicated to the City Council via a separate confidential written report.

Repeat of a Prior-Year Finding: 5 out of 12 were repeat findings

Recommendation: Our recommendations will be communicated to the City Council via a separate confidential written report.

City's Response 2023: The City's corrective action plan will be communicated to the City Council via a separate confidential written report. The auditors will follow up on the City's implementation of its corrective action plan in the next audit.

EP's Comment 2023: In progress

(SD – Significant Deficiency)

Single Audit Report for Fiscal Year Ended June 30, 2023

Finance & Governance Committee

April 23, 2024

EADIE PAYNE LLP

AGENDA

1 Introduction

2 Schedule of Expenditures of Federal Awards (SEFA)

3 Major Program

4 Internal Control Findings

5 Management Recommendations

Introduction

- ## Single Audit Report
  - Internal Control Report Required by *Government Auditing Standards*
  - Report on Compliance for Each Major Program
  - Report on Internal Control on Internal Control over Compliance
  - Report on the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards (SEFA)

2

Total Expenditures	$24.40M
Major Programs	5*
Total Programs	20

*Five major programs exceed the threshold of $750K. Four of the major programs have not been tested in the past two years. ARPA is required to be tested as a higher risk program.

CITY OF OXNARD CALIFORNIA

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Major Program

3

#	Program		Total Program Expenditures	Provided to Subrecipients
1	Local Government Fiscal Recovery Fund (CSLFRF aka ARPA fund)	Direct from U.S. Department of Treasury	$ 9,630,698	$ 332,329
		Passed through California Water Resources Control Board	552,267	-
		Total	$ 10,182,965	$ 332,329
2	Highway Planning and Construction Cluster	Passed through the State of California Department of Transportation	$ 4,943,565	$ -
3	Hazard Mitigation Grant Program	Passed through the California Office of Emergency Services	$ 1,956,206	$ -
4	HOME Investment Partnership Program	Direct from U.S. Department of Housing and Urban Development	$ 2,726,925	$ -
5	Assistance to Firefighters Program	Direct from U.S. Department of Homeland Security	$ 388,039	$ -
		Passed through the County of Ventura	506,503	-
		Total	$ 894,542	$ -

CITY OF OXNARD CALIFORNIA

EADIE PAYNE LLP

Internal Control Findings

- **No internal control findings in FY2023**
- **Prior year findings**
  - Financial Statements – In Progress
    - 2020-001Information Technology (IT) General Controls

Management Recommendations

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- Conducting investment policy review
- Conducting investment statements review frequently
- Conducting journal entries review for GASB87 and GASB96
- Implementing strategies to address information technology risk assessment findings on Tyler Munis

THANK YOU!

Eden C. Casareno

ecasareno@eadiepaynellp.com

909.809.7662

LLP
EADIE PAYNE
expect quality.

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

CITY OF OXNARD CALIFORNIA

DATE: April 23, 2024

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Update on the Financial Corrective Action Plan (FCAP) for Closing Past Audit Findings. (10 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/rSQA2H21imA

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 remained 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 remained unresolved. FY 2021-22 was the third year in a row where the City had no material weaknesses. For FY 2022-23, there were no new findings for accounting and financial management (for the second year in a row); only one prior finding remains unresolved. 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
FY 2022-23	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 22-23 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 updating the Indirect Cost Allocation Plan. This means the Finance Department has closed out all audit findings!

Only one finding remains outstanding, the finding related to the Information Technology General Controls. This finding has 18 parts. Per our auditor, six parts have been completed and two are no longer required, so ten parts remain. We have continued to make progress on the corrective actions for the finding. 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

April 23, 2024

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 AS REPORTED IN OCTOBER 2023

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

ONE AUDIT FINDING CLEARED DURING FY 22-23 SINGLE AUDIT – ONLY ONE AUDIT FINDING REMAINS OPEN

- During our FY 22-23 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 Updating the Indirect Cost Allocation Plan [Finance Department] – new cost allocation plan was completed and is being implemented with the FY 24-25 budget
- Only one (1) outstanding finding remains "In Progress" and was not ready "To Be Tested" during Eadie+Payne's Single Audit in February 2024

CORRECTIVE ACTION PLAN STATUS AS OF APRIL 2024

FINDINGS STATUS (2015-2023) (as of April '24)	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	62	7	12	144
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	1	0	0	1
NOT STARTED	0	0	0	0	0
TOTAL Unresolved Findings	0	1	0	0	1

FY 2023 SINGLE AUDIT RESULTED IN NO ADDITIONAL FINDINGS

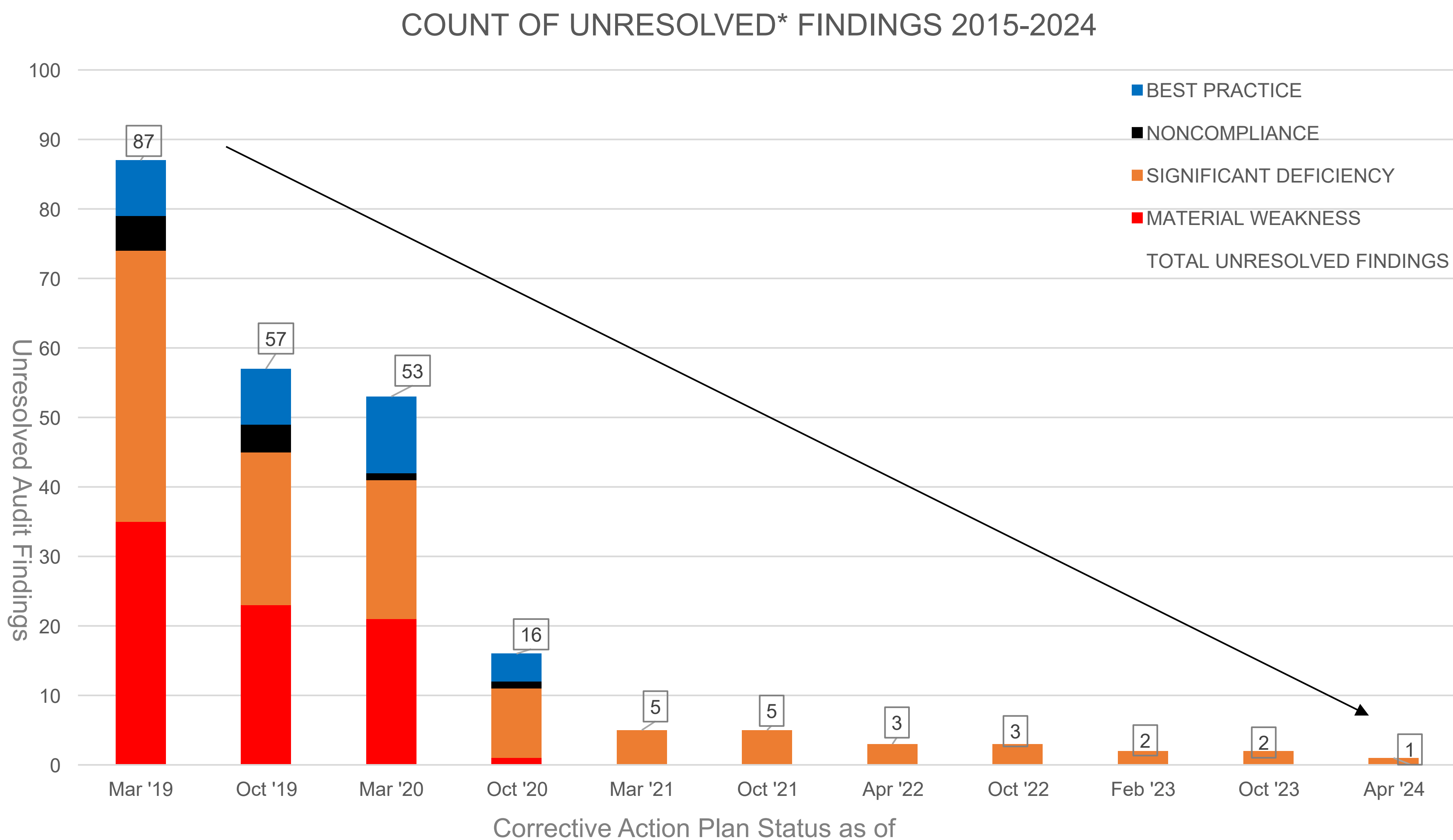
Second year in a row – no new audit findings!

The one (1) outstanding remaining finding:

Prior Audit Finding:

- 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

- Two years in a row with no new audit findings
- Implementing the new Cost Allocation Plan with the FY 24-25 budget.
- Continue Targeted Risk Assessment focusing on:
  - Vendor Master Maintenance
  - Grants
  - Purchasing Cards
  - Capital Assets
- Continue to update financial processes and procedures during the ERP stabilization period.
- Continually training on governmental GAAP and GASB updates and other relevant topics.

CITY OF OXNARD CALIFORNIA

Questions?