

CITY OF OXNARD, CALIFORNIA
SINGLE AUDIT OF FEDERALLY ASSISTED
GRANT PROGRAMS

JUNE 30, 2013

CITY OF OXNARD

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INDEPENDENT AUDITORS' 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*

Honorable Mayor and 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 (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2013.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding Numbers 2013-01 and 2013-02 that we consider to be significant deficiencies.

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 determination of financial statement amounts. 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*.

We noted certain matters that we have reported to management and the City Council in a separate letter dated December 30, 2013.

City of Oxnard's Responses to the Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

White Nelson Dick Evans LLP

Irvine, California
December 30, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133 AND ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS

Honorable Mayor and City Council
City of Oxnard
Oxnard, California

Report on Compliance for Each Major Federal Program

We have audited the City of Oxnard's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2013. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of 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, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 30, 2013, 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 OMB Circular A-133 and is not a required part of the basic financial statements.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133
(Continued)**

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 financial statements taken as a whole.

White Nelson Dick Evans LLP

Irvine, California

March 10, 2014, except to the date for the Schedule of Expenditures of Federal Awards, to which the date is December 30, 2013

**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, 2013

Federal Grantor / Pass - Through Grantor / Program / Cluster Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Expenditures
<u>United States Department of Housing and Urban Development</u>			
Community Development Block Grants (CDBG) Cluster:			
Direct Assistance:			
Community Development Block Grants	14.218	B-07-MC-06-0534	\$ 127,093
		B-10-MC-06-0534	68,859
		B-11-MC-06-0534	1,287,993
		B-12-MC-06-0534	1,557,791
Passed Through California Department of Housing and Community Development:			
Neighborhood Stabilization Program	14.218	09-NSP1-6115	310,225
Total Community Development Block Grants			<u>3,351,961</u>
Direct Assistance:			
Community Development Block Grants - ARRA	14.253	B-09-MY-06-0534	86,316
Total CDBG Program Cluster			<u>3,438,277</u>
Direct Assistance:			
Emergency Solutions Grant Program	14.231	E-11-MC-06-0534	38,282
		E-12-MC-06-0534	136,971
Total Emergency Solutions Grant Program			<u>175,253</u>
Direct Assistance:			
Supportive Housing Program	14.235	CA0947B9D111102	8,137
		CA0716B9D110804	94,549
		CA0717B9D111004	44,561
Total Supportive Housing Program			<u>147,247</u>
Direct Assistance:			
HOME	14.239	M-09-MC-06-0526	86,727
		M-10-MC-06-0526	172,570
		M-11-MC-06-0526	323,279
		M-12-MC-06-0526	628,939
Total HOME Program			<u>1,211,515</u>
Total United States Department of Housing and Urban Development			<u>4,972,292</u>
<u>United States Department of the Interior, Bureau of Reclamation</u>			
Direct Assistance:			
Water Reclamation and Reuse Program - ARRA	15.504	RIOAC35R12	\$ 1,980,027
<u>United States Department of Justice</u>			
Edward Byrne Justice Assistance Grant (JAG) Cluster:			
Direct Assistance:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-DJ-BX-0126	78,249
		2010-DJ-BX-0330	31,512
		2011-DJ-BX-2742	40,970
		2012-DJ-BX-1010	75,994
Total Edward Byrne Memorial Justice Assistance Grant			<u>226,725</u>
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.804	2009-SB-B9-0450	204,578
Passed through the Ventura County Sheriff's Office:			
Edward Byrne Memorial Justice Assistance Grant	16.738	DC-11-22-0560	14,016
Total JAG Program Cluster			<u>445,319</u>

See Accompanying Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 3-5) and Notes to Schedule of Expenditures of Federal Awards (pages 9 and 10).

CITY OF OXNARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

For the year ended June 30, 2013

Federal Grantor / Pass - Through Grantor / Program / Cluster Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Expenditures
<u>United States Department of Justice - Continued</u>			
Direct Assistance:			
Second Chance Act Prisoner Reentry Initiative	16.812	2011-CZ-BX-0036	42,804
Passed through the Ventura County Sheriff's Office:			
Federal Equitable Sharing Agreement	16.922	N/A	154,722
Total United States Department of Justice			642,845
<u>United States Department of Transportation</u>			
Passed through the State of California Department of Transportation:			
Highway Planning and Construction	20.205	STPLN-5129(012)	35,848
		HPLUL-5129(051)	977
		HPLUL-5129(056)	2,351
		TILUL-5129(057)	236
		HPLUL-5129(063)	139,502
		HSIPL-5129(064)	5,347
		HSIPL-5129(065)	10,663
		SRTSL-5129(061)	11,087
		STPL-5129 (067)	53,889
		BHLS-5129(069)	1,167
		BHLS-5129(070)	2,472
		HSIPL-5129(071)	4,649
		HSIPL-5129(072)	3,459
		STPL-5129(073)	52,190
		STPL-5129 (074)	1,462,212
		STPL-5129(075)	3,078,520
		TCSPL-5129 (077)	40,584
		CML-5129 (078)	16,880
		CML-5129 (079)	2,887
		CML-5129 (081)	151
		STPL-5129 (048)	580,000
Total Highway Planning and Construction			5,505,071
Federal Transit Formula Grants	20.507	CA-95-X196-00	113,922
Total United States Department of Transportation			5,618,993
<u>United States Department of Energy (Office of Energy & Renewable Energy)</u>			
Direct Assistance:			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	DE-SC0003264	36,250
<u>United States Department of Health and Human Services</u>			
Passed through County of Ventura Area Agency on Aging:			
Special Programs for the Aging, Nutrition Services	93.045	3C-007-071212	83,314
<u>Corporation for National and Community Service</u>			
Direct Assistance:			
Retired and Senior Volunteer Program	94.002	10SRPCA010	67,777
		13SRPCA010	20,472
Total Corporation for National and Community Service			88,249

See Accompanying Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 3-5) and Notes to Schedule of Expenditures of Federal Awards (pages 9 and 10).

CITY OF OXNARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

For the year ended June 30, 2013

Federal Grantor / Pass - Through Grantor / Program / Cluster Title	Catalog of Federal Domestic Assistance Number	Program Identification Number	Federal Expenditures
<u>US Department of Homeland Security</u>			
Direct Assistance:			
Assistance to Firefighters Grant	97.044	EMW-2011-FH-00070	549,459
		EMW-2011-FP-00367	274,098
Total Assistance to Firefighters Grant			<u>823,557</u>
Passed Through the Ventura County Sheriff:			
Non-Profit Security Program	97.008	2010-0085	53,988
		2010-0085	49,370
Total Non-Profit Security Program			<u>103,358</u>
Emergency Management Performance Grant	97.042	2012-0027	<u>45,588</u>
Homeland Security Grant Program	97.067	2010-0085	17,661
		2012-SS-00123	43,053
		2011-SS-0077	49,264
Total Homeland Security Grant Program			<u>109,978</u>
Total US Department of Homeland Security			<u>1,082,481</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 14,504,451</u>

See Accompanying Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 3-5) and Notes to Schedule of Expenditures of Federal Awards (pages 9 and 10).

CITY OF OXNARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2013

1. GENERAL:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Oxnard (the City). The City's reporting entity is defined in Note I of the notes to the City's financial statements. All financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies to the City is included in the accompanying schedule.

2. BASIS OF ACCOUNTING:

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for governmental funds, which is described in the Note I of the notes to the City's financial statements.

3. RELATIONSHIP TO COMPREHENSIVE FINANCIAL REPORT:

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree to amounts reported within the City's Comprehensive Annual Financial Report.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS:

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in federal financial reports.

5. CONTINGENCIES:

Under the terms of federal and state grants, additional audits may be requested by the grantor agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to a request for reimbursement to the grantor agencies.

See Accompanying Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 3 - 5) and the Schedule of Expenditures of Federal Awards (pages 6 - 8).

CITY OF OXNARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

For the year ended June 30, 2013

6. SUBRECIPIENTS:

Of the federal expenditures presented in the accompanying Schedule of Expenditures of Federal Awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants	14.218	\$ 35,020
Emergency Solutions Grant Program	14.231	182,640
Supportive Housing Program	14.235	192,726
Edward Byrne Memorial Justice Assistance Grant	16.738	87,271
Edward Byrne Memorial Justice Assistance Grant - ARRA	16.804	196,812
		<u>\$ 694,469</u>

7. FEDERALLY FUNDED LOANS:

The City administers loans, primarily deferred loans, made from funds provided by the following federal programs:

<u>Federal Programs</u>	<u>Loans Expended During the Year Ended June 30, 2013</u>	<u>Loans Outstanding as of June 30, 2013</u>
Community Development Block Grants (CFDA #14.218)	\$ -	\$ 2,564,710
HOME Program (CFDA # 14.239)	\$ -	2,828,071

See Accompanying Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 3 - 5) and the Schedule of Expenditures of Federal Awards (pages 6 - 8).

CITY OF OXNARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2013

1. SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of auditor report issued:

- Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

See finding numbers 2013-01 and 2013-02

Noncompliance material to financial statements noted: yes no

Federal Awards:

Internal control over major programs:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

Type of auditor report issued on compliance for major programs:

- Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

yes no

Identification of major programs:

CFDA Number

14.218/14.253

Name of Federal Program or Cluster

United States Department of Housing and Urban Development, Community Development Block Grants Program Cluster

15.504

United States Department of Interior, Bureau of Reclamation, Water Reclamation and Reuse Program

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).

CITY OF OXNARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

For the year ended June 30, 2013

1. SUMMARY OF AUDITORS' RESULTS (CONTINUED):

Identification of Major Programs (Continued):

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.738/16.804	United States Department of Justice, Justice Assistance Grant Program Cluster
20.205	United States Department of Transportation, Highway Planning and Construction Program
20.507	United States Department of Transportation, Federal Transit Formula Grants
97.044	United States Department of Homeland Security, Assistance to Firefighters Grant

Dollar threshold used to distinguish between type A and type B programs:

\$ 435,648

Auditee qualified as low-risk auditee?

x yes ___ no

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).

CITY OF OXNARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

For the year ended June 30, 2013

2. FINDINGS - FINANCIAL STATEMENT AUDIT:

SIGNIFICANT DEFICIENCIES

Finding Number 2013-01

Condition

We noted certain general ledger accounts including various accrued accounts payable accounts, payroll clearing accounts, and grant receivable accounts that do not appear to be actively reconciled. Significant adjustments were made to the grants receivable account balances during the current year.

Criteria

Internal controls should be in place that provide reasonable assurance that account balances are accurate.

Cause

There are no procedures in place requiring the reconciliation of these account balances and staff shortages.

Effect

The lack of regular monitoring of these account balances could lead to misstatements in the City's financial reports.

Recommendation

We recommend that management review and update related internal control procedures to ensure that these accounts are reconciled on a regular basis.

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).

CITY OF OXNARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

For the year ended June 30, 2013

2. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED):

SIGNIFICANT DEFICIENCIES (CONTINUED)

Finding Number 2013-01 (Continued)

Views of Responsible Officials and Planned Corrective Actions

Finance staff will work with City Treasurer's staff in making sure that accrued accounts payable accounts related to Utility Billings, are reconciled on a regular basis.

Due to staff shortage, Finance has difficulty keeping up with various payroll clearing account reconciliations. With potential new accounting software, staff will be able to automate some of the current manual processes and free up resources to perform the additional reconciliations.

Many of these receivables had been carried over from system conversion and had not been reconciled at that time. Finance did not have documentation to support these receivable and they were written off in the current year. Finance will work on revising the procedure to simplify the process going forward.

Finding Number 2013-02

Condition

We noted the existence of an inter-agency receivable/payable between the City and the Housing Authority that had not been recorded. This amount resulted from a transaction that took place many years ago, whereby the City paid for certain expenses on behalf of the Housing Authority.

Criteria

Internal controls should be in place that provide reasonable assurance that inter-agency activity is properly recorded.

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).

CITY OF OXNARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

For the year ended June 30, 2013

2. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED):

SIGNIFICANT DEFICIENCIES (CONTINUED)

Finding Number 2013-02 (Continued)

Cause

Lack of communication between the City and Housing Authority staff.

Effect

Inter-agency receivables/payables were understated in the general ledger and financial reports.

Recommendation

We recommend that stronger communication be implemented between the accounting staff at the City and the Housing Authority to ensure that such inter-agency activity gets recorded properly and reduce the possibility of items like this going unnoticed by both parties.

Views of Responsible Officials and Planned Corrective Actions

In the future, Finance will work more closely with the various independent agencies reported in the CAFR to consistently record inter-fund transactions.

3. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT:

None

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).

CITY OF OXNARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the year ended June 30, 2013

There were no findings reported for fiscal year ended June 30, 2012.

See Accompanying Independent Auditors' 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* and Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards (pages 1 - 5).