



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
May 2, 2023

TOPIC: Receive and file the Single Audit Report for the Fiscal Year Ended June 30, 2022

AGENDA TITLE

Receive and File Single Audit Report for the Fiscal Year Ended June 30, 2022

RECOMMENDED ACTION

Receive and file Single Audit Report for the Fiscal Year Ended June 30, 2022.

DISCUSSION

All non-Federal entities that expend \$750,000 or more of Federal awards each fiscal year are required to obtain a Single Audit to comply with the regulations of the Federal Office of Management and Budget (OMB). The Single Audit for the fiscal year ended June 30, 2022 has been completed by the City's independent auditor, Clifton Larson Allen LLP.

During the fiscal year 2021-22, the City administered twenty-six (26) Federal grant programs and expended \$105.8 million, representing an increase of \$0.2 million from the prior fiscal year. The expenditures remained relatively consistent with the prior year due to continued funding in response to the COVID-19 pandemic.

Of the twenty-six (26) programs administered by the City, the auditors identified four major programs for the audit: Housing Voucher Cluster (\$46.5 million), HOME Investment Partnerships Program (\$2.1 million), Coronavirus State and Local Fiscal Recovery (\$13.3 million), and the Emergency Rental Assistance Program (\$21.7 million).

The Finance and Management Services Agency is pleased to report that the City received an unmodified opinion commonly known as a clean opinion; which is considered the most favorable conclusion for the audit. The unmodified opinion indicates that the City has complied, in all material respects, with the compliance requirements for the fiscal year ended June 30, 2022.

However, the auditors disclosed one finding related to Coronavirus State and Local Fiscal Recovery Fund program for not meeting requirements to check the federal database to confirm that selected vendors have not been suspended or debarred from participating in federally funded programs. There were no instances of noncompliance,

Receive and file the Single Audit Report for the Fiscal Year Ended June 30, 2022
May 2, 2023
Page 2

but for some contracts, the grant managing departments did not maintain supporting documentation to prove that staff queried the federal database. The City's Purchasing Policies and Procedures (Policy) require the grant managing departments to adhere to procurement standards for federal grant management including suspension and debarment. Program staff will follow the Policy to ensure adequate documentation of verifications is maintained to prevent future findings.

The report (Exhibit 1) is posted and available on the City's website (<https://www.santa-ana.org/financial-reports>) along with prior fiscal years. In addition, the report has been submitted for certification as part of the Single Audit Data Collection Form process. The Single Audit Report is required to be submitted by March 31.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT

1. FY 2021-22 Single Audit Report

Submitted By: Kathryn Downs, FMSA Executive Director

Approved By: Kristine Ridge, City Manager