



**TOWN OF LOS GATOS**  
**FINANCE COMMISSION REPORT**

MEETING DATE: 06/13/2022

ITEM NO: 4

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DATE: June 9, 2022  
TO: Finance Commission  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive FY 2020/21 Federal Single Audit Corrective Action Plan

**RECOMMENDATION:**

Staff recommends that the Finance Commission receive the revised Federal Single Audit Report Corrective Action Plan for the fiscal year ended June 30, 2021.

**DISCUSSION:**

On May 9, 2022, staff presented the Town's Federal Single Audit for FY 2020/21 Single Audit Report. Upon approval by Town Council, which is currently agendaized for June 21, 2022, the Single Audit will be filed electronically by the auditor with certification by Town staff. The due date for filing is September 30, 2022.

Accompanying the Single Audit Report is a required supplemental corrective action plan for federal agency review that must be submitted if the audit report had a finding. The affected Federal awarding agency or pass-through entity will review the report and if necessary, will follow up with Town staff on the acceptability of the Town's corrective action plan or any alternative actions it expects staff to implement.

Upon feedback received from the Finance Commission on the possibility of re-submitting the CARES Act claim using an alternative eligible cost to replace the waiver of rents, staff contacted the State Department of Finance. Upon staff's request, the Department of Finance allowed staff to correct, resubmit, and reallocate the questioned costs amount of \$94,988 from business support (rent waivers) to public safety payroll costs. Staff received written approval of the reallocation as corrected in the State's Corona Virus reporting worksheet on June 1, 2022.

**PREPARED BY:** Stephen Conway  
Interim Finance Director

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Reviewed by: Town Manager and Assistant Town Manager

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DISCUSSION (continued):

The attached revised Corrective Action Plan was updated to include the re-submission of replaced public safety costs to be substituted for rent waivers as approved by the State Department of Finance. Staff and its independent auditor believe that the nature of the finding and the revised corrective action plan as proposed have a positive result for the Town and that no further action or adverse outcomes would be required by the Federal agency reviewing this report.

Attachments:

1. FY 2020-21 Single Audit
2. FY 2020-21 Corrective Action Plan