

# **CITY OF OJAI**

## **Operational and Policy Assessment Status Report**

**December 9, 2025**

**Eide Bailly LLP  
10681 Foothill Boulevard, Suite 300  
Rancho Cucamonga, CA 91730-3831**

[eidebailly.com](http://eidebailly.com)



This report has been prepared at the request of the City of Ojai to provide a status update regarding progress made to address observations and recommendations contained in two reports prepared by Eide Bailly addressing the City's financial management and accounting policies, procedures, and practices. In August 2024, Eide Bailly issued an operational assessment report highlighting a number of concerns regarding the City Finance Department. This report was followed by a policies and procedures gap analysis report in February 2025, which provided more detailed information regarding concerns related to the City's financial policies and procedures.

As highlighted below, the City's Finance Department staff have made significant progress toward addressing our observations and recommendations. The recruitment of the new staff now in place in the Finance Department and the operational and technological changes implemented over the past year have been critical in the success of the work completed to date. With Eide Bailly's continued assistance, we are confident that the remainder of the recommendations not yet addressed will be resolved in the year ahead. We appreciate the trust placed in Eide Bailly by the City's staff and the collaborative spirit with which they have partnered with us to make substantive changes in the Finance Department. These changes will have a long-lasting impact on the City and will facilitate the City's financial management and accounting practices remaining effective and in alignment with best practices in the future.

### **Operational Assessment Status**

The table below highlights the key elements of Eide Bailly's operational assessment report observations and recommendations and their current status.

No.	Operational Area	Concern	Current Status	Primarily Responsible Party
1	Staffing and Routine Accounting	The Finance Department was behind on various routine accounting activities.	In Process	Eide Bailly
2	Staffing and Routine Accounting	The City was issuing financial statements each year rather than an Annual Comprehensive Financial Report (ACFR).	Resolved	City
3	Staffing and Routine Accounting	The Finance Department had several vacant positions.	Resolved	City
4	Payroll	Inefficiencies in the 457 reporting process were identified.	Resolved	City
5	Payroll	The City's positive pay approval process created an opportunity for errors in approval to occur.	Resolved	City

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No.	Operational Area	Concern	Current Status	Primarily Responsible Party
6	Payroll	The City's personnel action form-related processes were in need of improvement.	Resolved	City
7	Payroll	The City is in need of new timekeeping software to improve efficiency of the payroll process.	In Process	Eide Bailly
8	Technology Use	The City's financial software system's full functionality is not currently utilized.	In Process	Eide Bailly
9	Accounts Payable and Purchase Orders	The City's invoice management process was not centralized in the Finance Department.	Resolved	City
10	Accounts Payable and Purchase Orders	The purchase orders module of the City's financial software system was not implemented.	Resolved	Eide Bailly
11	Accounts Payable and Purchase Orders	Staff require training on the new purchase orders and invoice processing processes.	In Process	Eide Bailly
12	Cash Receipts and Banking	The City had outsourced its bank reconciliation process due to vacant positions.	Resolved	City
13	Cash Receipts and Banking	The City did not have a process in place to review stale dated checks or a related policy.	Resolved	City
14	Cash Receipts and Banking	The City was utilizing several banks rather than having a single, centralized banking relationship.	Resolved	City
15	Grant Administration	The City did not have a Grant Administration Policy.	Resolved	Eide Bailly
16	Grant Administration	The City's process for preparing the Schedule of Federal Awards for its Single Audit process was inefficient.	Resolved	Eide Bailly
17	Grant Administration	The City's process for managing grants and grant-related financial data was inefficient.	In Process	Eide Bailly

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No.	Operational Area	Concern	Current Status	Primarily Responsible Party
18	Budgeting	The City's budget book format was not consistent with best practices.	In Process	Consultant
19	Credit Card Management	The City's credit card expense reporting process was inefficient and in need of revisions.	Resolved	City
20	Credit Card Management	The City's process for facilitating payments for fuel for City vehicles was inefficient.	Resolved	City

### Policy and Procedures Gap Analysis Status

The table below highlights the key elements of Eide Bailly's policy and procedures gap analysis report observations and recommendations and their current status.

No.	Policy Area	Concern	Current Status	Primarily Responsible Party
1	Budget Administration	The City had a very limited budget administration policy.	Implemented	City Staff
2	Cash Management	The City did not have a cash management policy.	Draft Policy In Review	Eide Bailly
3	Grant Administration	The City did not have a grant administration policy.	Draft Policy In Review	Eide Bailly
4	Procurement	The City did not have a procurement policy other than limited language found in the Municipal Code.	Draft Policy In Review	Eide Bailly
5	Credit Cards and Travel	The City had an outdated and limited policy governing the use of credit cards and requirements for business travel.	Draft Policy In Review	Eide Bailly
6	Capital Assets	The City does not have a capital assets policy.	Draft Policy In Review	City Staff

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No.	Policy Area	Concern	Current Status	Primarily Responsible Party
7	Debt Management	The City has a very limited debt management policy.	Draft Policy In Review	City Staff
8	User Fees and Charges	The City does not have a user fees and charges policy.	Draft Policy In Review	City Staff