



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

August 5, 2020

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#### MEMBERS

American Institute of  
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Governmental Audit  
Quality Center

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California Society of  
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To the Honorable City Council  
City of Calabasas  
100 Civic Center Way  
Calabasas, California 91302

This letter sets forth our understanding for applying agreed-upon procedures to the City of Calabasas (the City); Calabasas Municipal Code, Chapter 3.4, Purchasing System and the Standard Policy and Procedure (SPP) 151-601 Credit Card Processing and for the period ended June 30, 2020.

This engagement is solely for the purpose of reporting our findings in regards to the results of the procedures performed as compared to the requirements specified in the SPP 151-601. The procedures we will perform have been agreed to by the specified parties to this engagement listed as follows: management of the City of Calabasas. We will apply the following procedures:

1. *We will obtain, review, and gain an understanding of Calabasas Municipal Code, Chapter 3.4, Purchasing System and SPP 151-601 Credit Card Processing and identify any inconsistencies in the description of the policies and procedures.*
2. *We will obtain a listing of active credit cards with holders' names, addresses, expiration dates, credit limits, and expenditures limits for the fiscal year ended June 30, 2020, and identify any inconsistencies when compared to personnel records and positions held by credit cards holders.*
3. *We will obtain a listing of credit cards charges for the fiscal year ended June 30, 2020, and on a sample basis, identify their compliance with the requirements of Calabasas Municipal Code, Chapter 3.4, Purchasing System and SPP 151-601 Credit Card Processing.*
4. *We will obtain a listing of credit cards charges for the fiscal year ended June 30, 2020, and on a sample basis, identify their compliance with the City's Municipal Code, Chapter 3.4, Purchasing System and SPP 151-602 General Purchasing and 151-604 Purchase Orders.*
5. *We will obtain a listing of all credit cards statements for the fiscal year ended June 30, 2020, and on a sample basis, identify their compliance with the requirements of Calabasas Municipal Code, Chapter 3.4, Purchasing System and SPP 151-601 Credit Card Processing.*
6. *We will provide City's management with recommendations, if needed, to improve the issuance, authorization to use, credit limits, authorized purchases, review processes, and financial reporting processes of Credit Cards use in the City's operations.*

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements of the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation as to the sufficiency of these procedures for the purposes of the specified parties or for any other purpose.

The agreed-upon procedures to be performed do not constitute an examination or review of the subject matter. Accordingly, we will not express an opinion or conclusion on the subject matter. If we did perform additional procedures, other matters might come to our attention that would be reported to you.

Our report will list the procedures performed and our findings. Our report will be addressed to the Honorable City Council of the City of Calabasas and will be intended for use by and restricted to the use of the specified parties as identified above. Our report will contain such restricted-use language.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures.

During the course of the engagement, we may communicate with you or with your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Terry Shea, CPA, is the engagement partner for the services specified in this letter. His responsibilities include supervising Rogers, Anderson, Malody & Scott, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fees are based on the amount of time required at various levels of responsibility. Invoices will be rendered monthly as needed and are payable upon presentation. We estimate that our fee for the engagement will be between \$3,500 and \$5,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

We agree to retain our attest documentation or work papers for a period of seven years from the date of our report.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



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Terry Shea, CPA  
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the City of Calabasas by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_