

CITY OF VENTURA
CITY COUNCIL AGENDA

Supplemental Information Packet

Meeting of September 26, 2022

Received by September 23, 2022, 10:30 a.m.

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available in the City Clerk's Office, 501 Poli Street, Room 204, Ventura, during normal business hours as well as on the City's Website – www.cityofventura.ca.gov – <https://www.cityofventura.ca.gov/1236/City-Council-Public-Hearing-NoticesSuppl>

15. POLICY CONSIDERATION – FINANCIAL POLICY REVIEW

CITY OF VENTURA

FINANCE DEPARTMENT

Date: September 22, 2022

To: Mayor Rubalcava & City Council

From: Michael Coon, Chief Financial Officer

Subject: Internal Review Processes for Travel Expenses & Credit Card Statements

Recently there has been an elevated level of discussion regarding purchases that were made on City credit cards and expenses related to official travel and meetings. Outlined below you will find an overview of the City processes that are used to review these types of expenses.

Credit Card Statements

Each month statements are sent out for every credit card that was used during the previous billing cycle. When a card holder receives their monthly statement, they are responsible for ensuring that all their receipts are in order and that those receipts are attached to their monthly statement. Depending on the job title held by the card holder, there may be additional layers of review within their department. However, eventually every credit statement and the accompanying receipts, etc. are reviewed and signed by a department head or by the City Manager, Assistant City Manager, or Deputy City Manager. After the credit card statement is signed, it is sent to the Purchasing Division.

Once Purchasing receives a credit card statement, they review the statement to make sure all the required documents and/or receipts are attached. Purchasing also reviews the expenses on the statement to make sure they are in compliance with the City's policies. If a statement requires corrections or additional documentation, the statement is returned to the cardholder's department. If purchasing finds an expense on a credit card statement that might be a violation of City policy, the credit card statement in question is then escalated through the chain of command in Finance until a resolution is reached.

After a credit card statement is cleared by Purchasing it is then sent to the Accounts Payable (AP) Division. AP then verifies that all the expenditures have been added up correctly and that the account coding has been done correctly. Upon the successful completion of AP's review, the credit card statements are then processed for payment.

Using a recent example, in November 2021 during the review of Nancy O'Connor's credit card statement, Purchasing escalated the statement in question due to concerns that some of the purchases related to the Executive Retreat may not have been in compliance with the City's credit card policy. The credit card statement was then reviewed by the Assistant Finance Director, who then in turn sent an email to me regarding the expenses being questioned. That email stated, "per the policy, expenses in excess of the travel per diem limits are to be approved

by the Department Head...” Since a department head signed the credit card statement approving the expenses, I determined that there was not a violation of City policy.

Travel & Meeting Expenses

City policies encourage staff to attend trainings, seminars, and conferences. The policies also require that staff submit a travel request before attending one of these events. Upon returning, staff is also required to submit a travel expense report, which includes a summary of all expenses related to the trip including, per diem, airfare, hotels, milage reimbursement, etc.

Once a travel expense report is completed and signed by the traveler, it must be reviewed and signed by a department head or by the City Manager, Assistant City Manager, or Deputy City Manager. Then the report is forwarded to AP for further review.

While reviewing travel expense reports, AP verifies that the calculations are accurate and performs a check to ensure that the expenses are complaint with City policies. If there are questions about the report or if a potential violation of policies is found, AP and the Finance leadership team work with the employee and department to rectify any issues.

For example, in October 2021 Mr. McIntyre submitted travel expense report for a trip to the League of California Cities’ annual conference that required various corrections by AP. While conducting their policy review the staff in AP found that the milage reimbursement calculations needed to be update, a bottle of wine was purchased on a City Credit Card, and that a tip exceeded the 20% allowed by City policy.

As a result of AP’s findings, the mileage calculations were corrected and the cost of the bottle of wine was deducted from Mr. McIntyre’s reimbursement. Since the tip in question was caused by a mistake in not noticing that gratuity was already included and since the City’s policies do not require corrective action for tips that are more than 20%, no action was taken at the time. However, Mr. McIntyre, later, on his own accord, reimbursed the City for the tip that was paid in addition to the gratuity that had been automatically included in the bill.

CC:

Alex McIntyre, City Manager

Andrew Heglund, City Attorney