



COUNCIL AGENDA: 6/6/2023
ITEM: 3.3
FILE NO: 23-832

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: June 6, 2023

SUBJECT: Employee Travel Expenses Audit Report

Recommendation

As recommended by the Public Safety, Finance, and Strategic Support Committee on May 18, 2023, accept the report on the audit of employee travel expenses.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (City Auditor)
[Public Safety, Finance, and Strategic Support Committee referral 5/18/2023 - Item (d)1]



Office of the City Auditor

**Report to the City Council
City of San José**

**EMPLOYEE TRAVEL
EXPENSES: ADDITIONAL
TRAINING CAN ENHANCE
COMPLIANCE WITH THE
CITY'S TRAVEL POLICY**

**Report 23-02
May 2023**

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May 11, 2023

Honorable Mayor and Members
Of the City Council
200 East Santa Clara Street
San José, CA 95113

Employee Travel Expenses: Additional Training Can Enhance Compliance With the City's Travel Policy

City staff travel for various work-related reasons, such as for training, conferences, or City business. The City's Employee Travel Policy (Travel Policy) provides the guidance for authorization of employee travel, as well as reimbursement and payment of travel expenses. In fiscal year (FY) 2021-22, travel expenses totaled over \$529,000. Some departments travel more than others; in FY 2021-22, three departments made up 55 percent of travel expenses. The objective of this audit was to review employee travel expenses for appropriateness and compliance with City policies and procedures. This is the fourth in a series of audits that the Office of the City Auditor has conducted on travel expenses in the last 15 years.

Finding 1: Travel Expenses Generally Complied With the City's Travel Policy but Additional Training May Be Necessary. There are several layers of approval for travel requests and reimbursement, with both department travel coordinators and the Finance Travel Desk ensuring travel is appropriate and complies with the City's Travel Policy. However, some exceptions were noted during our review that call for additional training for staff. We found:

- Departments did not always provide all required supporting documentation for travel expenses. In our sample of employee travel reimbursements, we noted several travel packets were missing some required supporting documentation and travel statements were not always complete.
- There are other areas where the Administration should clarify expectations for travel coordinators or department staff. These include travel purchased through a Procurement Card (P-Card), expectations for economical travel, the timeliness of travel packet submissions, and others.

RECOMMENDATION

To ensure employee travel complies with the City's Employee Travel Policy, the Administration should:

- Require that department travel and procurement card coordinators complete mandatory training on the travel policy and associated processes.

This report has one recommendation. We plan to present this report at the May 18, 2023, meeting of the Public Safety, Finance and Strategic Support Committee of the City Council. We would like to thank the Finance Department, the City Manager's Office, the City Attorney's Office, and department travel

coordinators for their time and insight during the audit process. The Administration has reviewed the information in this report, and their response is shown on the yellow pages.

Respectfully submitted,



Joe Rois
City Auditor

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This report is also available online at www.sanjoseca.gov/audits

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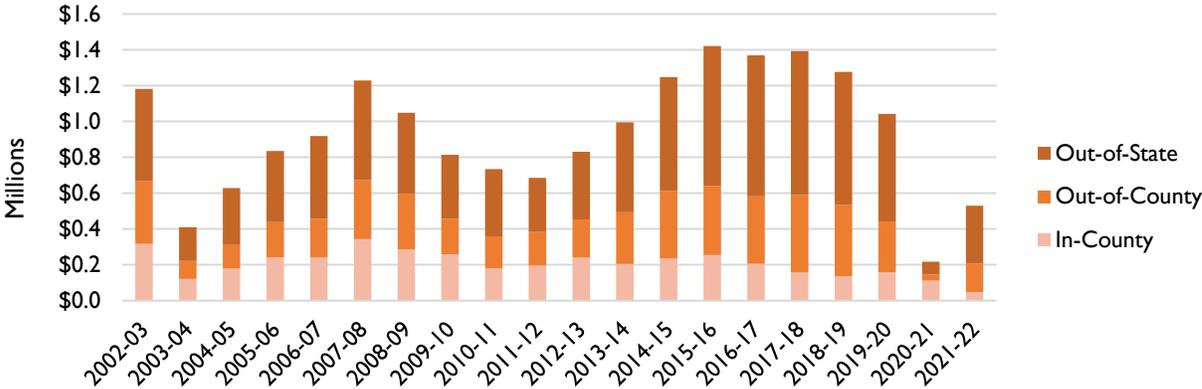
Background

There are various work-related reasons why City staff may travel. Reasons for travel include:

- Trainings for job-related knowledge and skills;
- Conferences for professional development and networking opportunities;
- Meetings as authorized City representatives; and
- Criminal investigations and extraditions by Police Department personnel.

During the COVID-19 pandemic, travel expenses declined — from about \$1,276,000 in fiscal year (FY) 2018-19 to about \$217,000 in FY 2020-21. Travel started to pick back up in FY 2021-22, with travel expenses totaling over \$529,000. Travel may occur within or outside of California. About 60 percent of travel expenses in FY 2021-22 was for travel out of the state.

Exhibit I: Breakdown of Travel Expenses From FY 2002-03 Through FY 2021-22

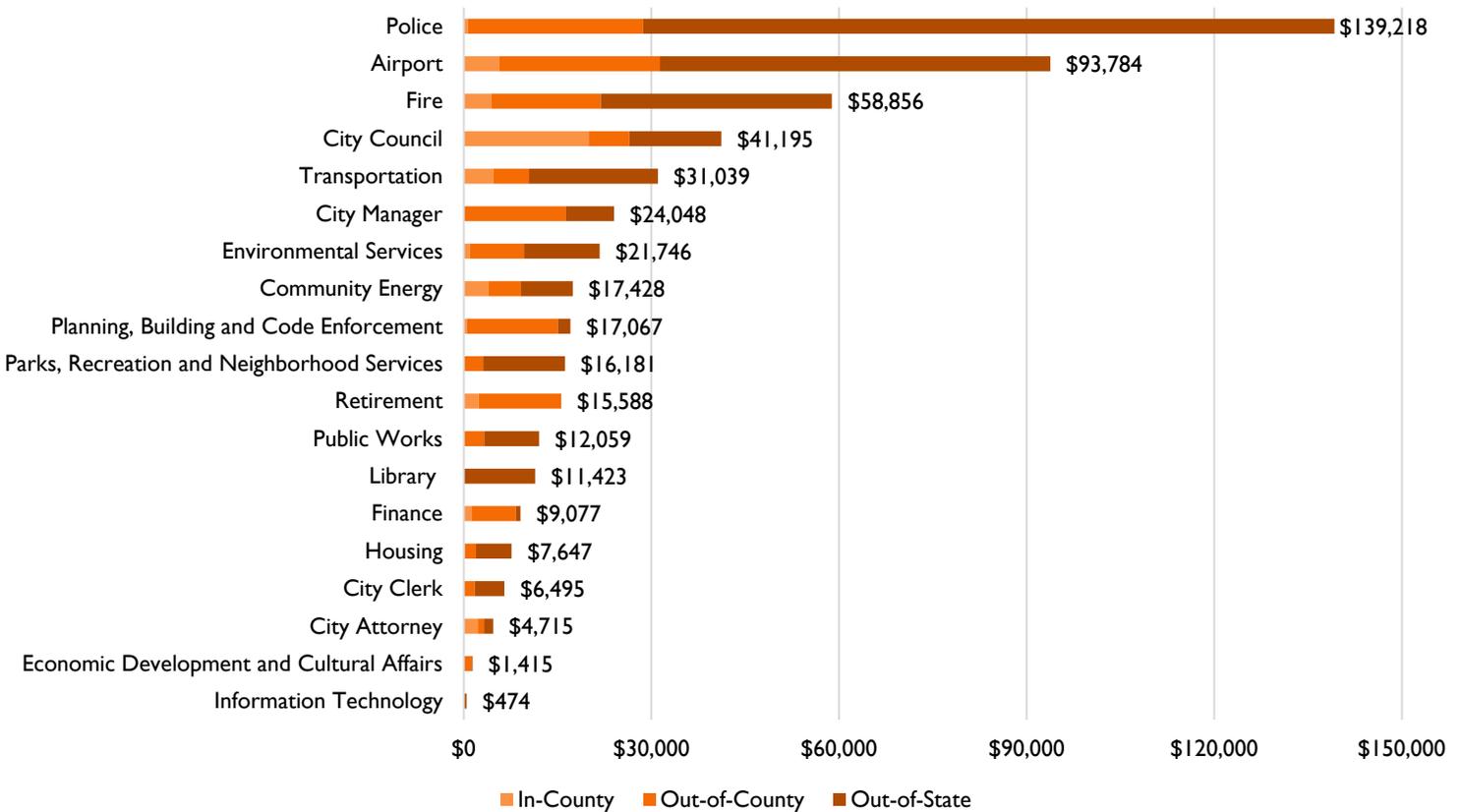


Source: Auditor analysis of the City’s Financial Management System (FMS) reports using FMS travel codes

Note: Overall travel expenses are based on how travel is coded in the City’s Financial Management System (in-county, out-of-county, and out-of-state travel). There may be additional travel expenses categorized in the Financial Management System as Professional Development Program expenses or training.

In FY 2021-22, the departments with the most travel expenses were the San José Police Department (26 percent of the travel expenses), the Airport (18 percent), and the Fire Department (11 percent).

Exhibit 2: Breakdown of Travel Expenses by Department for FY 2021-22



Source: Auditor analysis of City’s FMS FY 2021-22 report using FMS travel codes

Note: Overall travel expenses are based on how travel is coded in the City’s Financial Management System (in-county, out-of-county, and out-of-state travel). There may be additional travel expenses categorized in the Financial Management System as Professional Development Program expenses or training.

The Employee Travel Policy Provides Guidance for Travel-Related Expenses

The City’s Employee Travel Policy (Travel Policy), CPM Section 1.8.2, provides the guidance for authorization of employee travel and reimbursement for travel-related expenses.¹ This includes requirements for prior approval of travel by supervisors and department approving officials (such as a department director or their designee). It also requires travelers to provide documentation to support travel expenses (i.e., receipts or other documents). The policy outlines eligible travel activity and expenses, and categorizes travel as “in-state,” “out-of-state,” and “international.”

¹ The policy applies to all full-time or part-time active employees, except for the Mayor and Councilmembers and their respective unclassified staff, Council Appointees, and members of the City’s Planning Commission, Civil Service Commission, Elections Commission, and police officer(s) assigned to the Mayor’s security detail when traveling in that capacity.

- In-state applies for travel within California that requires airfare or an overnight stay;
- Out-of-state applies for travel outside California, but within the continental United States; and
- International travel applies for travel outside of the continental United States and includes travel to Hawaii and Alaska.

Each department is required to have a travel coordinator to serve as the primary department contact for travel coordination and processing.² The policy was last revised in 2019. Access to the current policy is available to employees via the City's website.³

Different Methods of Payments for Employee Travel

After a trip, employees request reimbursements when they have personally covered the cost of work-related travel. The City reimburses meal and incidental expenses on a per diem basis, minus any meals covered by the respective event.⁴ Department timekeepers and directors or their designee approve mileage reimbursements. Reimbursements are paid through the City's payroll process. Payroll disbursements require multiple layers of approval from direct supervisors, department travel coordinators and approving officials, and Finance Department (Finance) staff.⁵ The Finance Travel Desk is responsible for final approval of reimbursement to an employee for travel-related expenses. Employees may also request cash advances before traveling to minimize the impact on their personal finances.

In addition to employees paying for travel and seeking reimbursement, travelers can use a City-issued Procurement Card (P-Card) for travel-related expenses. The P-Card process follows a separate process than employee reimbursements.

Exhibits 3 and 4 outline the roles and responsibilities in the processes for travel reimbursement and P-Card approvals.

² As of January 18, 2023, there were 27 travel coordinators. Some departments have more than one travel coordinator designated by office/program area.

³ City Administrative Policy Manual, Section 1.8.2, Employee Travel:
<https://www.sanjoseca.gov/home/showpublisheddocument/17881/637165807233700000>

⁴ The City uses U.S. General Services Administration rates for travel within the continental United States (CONUS) and State Department rates for international travel (OCONUS) to determine not-to-exceed amounts for lodging and meal/incidentals expenses.

⁵ Accounts payable and payroll staff in the Finance Department handle travel reimbursements.

Exhibit 3: Roles and Responsibilities in the Travel Reimbursement Process

Department/Coordinator/Traveler	Responsibility
Traveler	<ul style="list-style-type: none"> Complete and submit Travel Request form to direct supervisor Attend event and retain receipts for all relevant expenses Complete Reimbursement of Travel Statement (RTS) and attach required documentation Submit RTS within 14 business days of last date of travel
Direct Supervisor	<ul style="list-style-type: none"> Review, approve or deny, and sign Travel Request form Send Travel Request form to travel coordinator Review RTS and submit for approval within three business days
Travel Coordinator	<ul style="list-style-type: none"> Review Travel Request form for completeness and appropriateness Review RTS for completeness and submit to Approving Official
Approving Official	<ul style="list-style-type: none"> Review and retain Travel Request form Review and approve, modify or deny RTS Sign and submit to Travel Desk within three business days
Finance Travel Desk	<ul style="list-style-type: none"> Issue cash advance (if applicable) Process reimbursements and deductions

Source: Auditor summary of City Administrative Policy Manual, Section 1.8.2, Employee Travel

Exhibit 4: Roles and Responsibilities in the P-Card Process

Department/Coordinator/Cardholder	Responsibility
Cardholder	<ul style="list-style-type: none"> Retain receipts from purchases and verify that amount corresponds to purchases Gather receipts for monthly Statement of Account, identify account code for each transaction, and submit documents to approving official
Approving Official	<ul style="list-style-type: none"> Review and approve monthly Statements of Accounts Report violations to department P-Card coordinator
Department P-Card Coordinator	<ul style="list-style-type: none"> Submit payment requests in the City's Financial Management System (FMS) for the monthly Statements of Accounts Submit departmental monthly Statements of Accounts and supporting documentation to Accounts Payable (Finance)
Department Director	<ul style="list-style-type: none"> Approve annual summary provided by the department P-Card coordinator and submit to the City's P-Card administrator
Accounts Payable (Finance)	<ul style="list-style-type: none"> Periodically review P-Card transactions Issue payments during the payment cycle requested by departments after receiving approved monthly Statements of Accounts
Citywide P-Card Administrator (Finance)	<ul style="list-style-type: none"> Establish and update P-Card accounts, and administer dollar amounts Report policy violations to the Office of Employee Relations

Source: Auditor summary of City Administrative Policy Manual, Section 5.1.2, Procurement Cards

Previous Audits

This is the fourth in a series of audits that the Office of the City Auditor has conducted on travel reimbursements in the last 15 years: *Audit of Employee Travel Expenses (2017)*,⁶ *Audit of Employee Travel Expenses (2013)*,⁷ and *An Audit of Retirement Services Travel Expenses (2008)*.⁸ The Office has also done other related Procurement Card audits.

Open Recommendations From Past Travel Audits

There are two open recommendations from the 2013 *Audit of Employee Travel Expenses* audit. The recommendations from the other prior travel audits have been implemented. Of the open recommendations, the first recommends that the Administration require attaching travel statements, approved by the travel coordinator, as supporting documentation for P-Card expenses. This requires a change to the City's Procurement Card Policy. Finance staff have drafted an updated Procurement Card Policy and Procurement Card Administrative Guide. The drafts are under senior staff review.

The second recommendation relates to exploring the use of an electronic travel authorization system. Finance reports that it is working with the Information Technology Department to implement this recommendation. Finance reported that it intends to split the process into two workflows: one for preapproval and one for the reimbursement process.

⁶ <http://www.sanjoseca.gov/Home/ShowDocument?id=33894>

⁷ <http://www.sanjoseca.gov/Home/ShowDocument?id=33804>

⁸ <http://www.sanjoseca.gov/Home/ShowDocument?id=33676>

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Finding I Travel Expenses Generally Complied With the City’s Travel Policy but Additional Training May Be Necessary

Summary

There are several layers of approval for travel requests and reimbursements, as well as for the use of a Procurement Card (P-Card) to pay for travel expenses. Travel coordinators and the Finance Travel Desk generally provide the necessary review to ensure travel is appropriate and in compliance with the Travel Policy. However, in our sample review, we noted that several employee reimbursement travel packets were missing some required documentation, and not all travel statements were complete. We also noted that there were areas where the Administration should clarify expectations for departments, including travel purchased through a P-Card, per diem calculations, saving costs through economical travel, and the timeliness of travel packet submissions. Therefore, we recommend that the Administration require department travel coordinators and P-Card coordinators complete mandatory training on the Travel Policy.

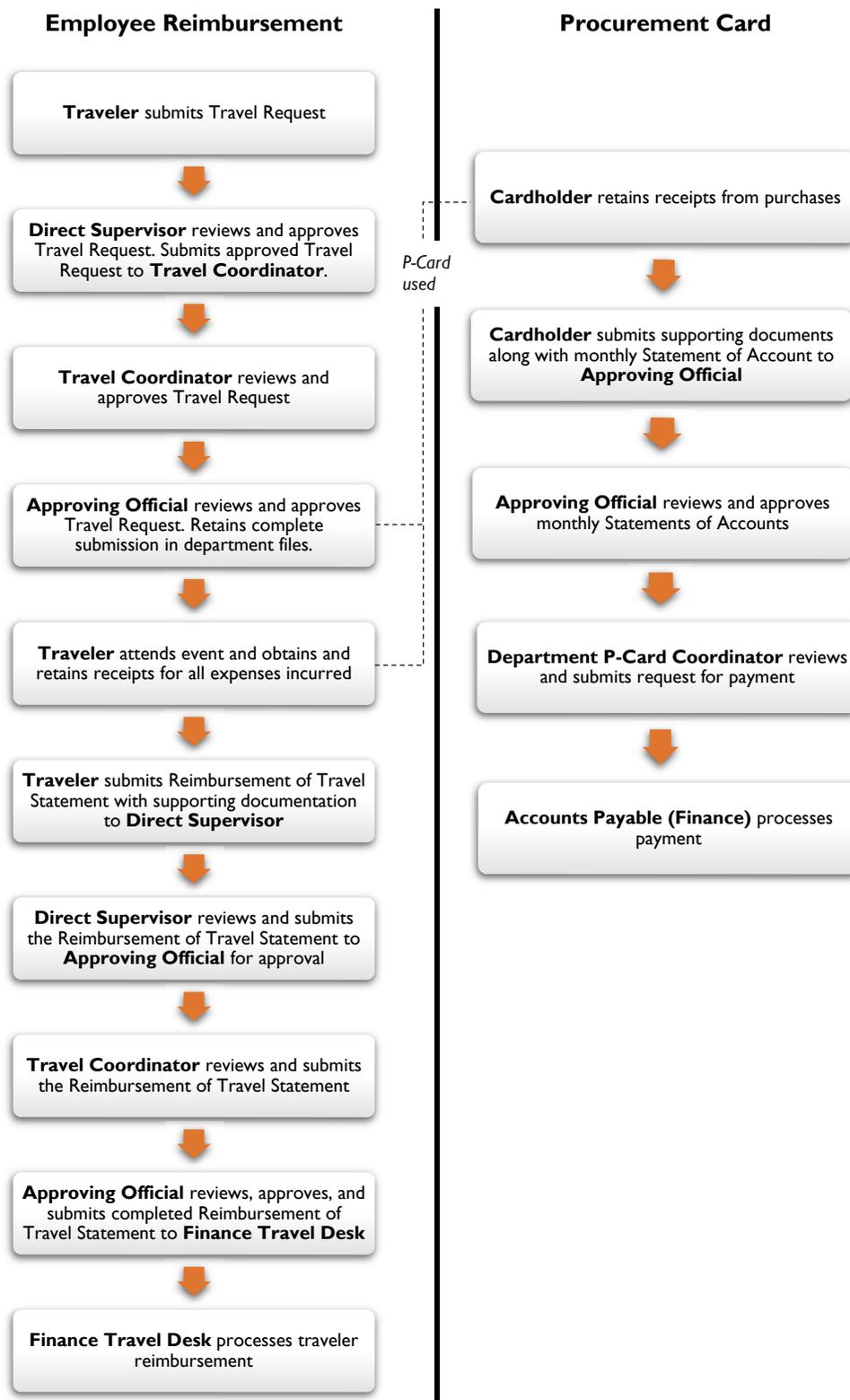
Travel Coordinators and the Finance Travel Desk Ensure Travel Is Appropriate and in Compliance With City Policy

Department travel coordinators, supervisors, and approving officials review and approve employee travel to ensure it is an appropriate use of City resources. Travel coordinators and the Finance Department’s Travel Desk also review to ensure compliance with the City’s Travel Policy.

In our sample review, we noted multiple instances of oversight that highlighted the role of the travel coordinators or Finance staff. For example, there were instances of email exchanges between travel coordinators and staff to gather supporting documentation, and evidence of review and corrections made by the travel coordinators or the Finance Travel Desk.

Exhibit 5 shows a high-level flowchart of the processes for travel reimbursement and P-Card payments.

Exhibit 5: Travel Reimbursement and Travel Using a City Procurement Card



Source: Auditor review of City's Employee Travel Policy and Procurement Card Policy

Note: In practice, some approvals may be out of sequence or done in parallel.

There Are Opportunities for Improvement in the Travel Process

Although travel expenses generally complied with the Travel Policy, we noted instances in our sample review of travel reimbursements and P-Card purchases that may call for additional training or resources for travel coordinators or department staff. Appendix A has details on the sample methodology.

- *Supporting Documentation:* In the sample of employee reimbursement requests for travel, there were several instances where departments did not include all required supporting documentation. Also, in the sample, Reimbursement of Travel Statements were not always completely filled out.
- *Clarification for Travel When P-Cards Are Used:* The Travel Policy is unclear about the supporting documentation and/or annotation required in the *reimbursement of travel packet* when a City P-Card is used for travel.⁹ For such packets, P-Card statements often were not included. Also, we did not see the notation of the P-Card statement month, as specified in the Travel Policy. Moreover, not all supporting documentation for travel expenses was included in the *P-Card packets*. Eight out of 14 (57 percent) of the applicable P-Card packets from the P-Card transaction sample were missing a travel request form.¹⁰
- *Per Diem Calculations:* Per diem calculations occur prior to travel and may not capture the expenses that ended up occurring, particularly in relation to meals and incidentals. It is also unclear among staff how to define departure and return times when staff commute to an event.¹¹ Finance reports that they are working on automating the travel approval process and intends to include the per diem process into this work, allowing for per diem entries to better match the travel that occurred.
- *Economical Travel:* The City may have missed opportunities to save costs through more economical travel in 10 of the 51 travel packets in the employee reimbursement sample (20 percent). Examples included last-minute airfare purchases for upgraded economy seating since there were no regular coach seats available, paying more for parking/lodging compared to fellow travelers attending the same event, or missing early

⁹ City Employee Travel Policy (CPM Section 1.8.2) states that travelers who pay for City travel expenses with a P-Card “[...] shall submit the appropriate documentation including receipts for the purchase with the Procurement Card Statement and note such payment method on the Reimbursement of Travel form as well as the month of the Procurement Card Statement.”

¹⁰ Our 2013 travel audit similarly observed the need for additional guidance when City P-Cards are used for travel and recommended that the Procurement Card Policy be amended to require Procurement Card approvers attach travel coordinator-approved Travel Statements as supporting documentation for travel-related Procurement Card expenses. This recommendation has not been fully implemented.

¹¹ Whether departure time is based on when a traveler begins their commute or when they arrive at an event can affect the per diem calculation. Staff also reported that the per diem worksheet itself can be difficult to work with. We also identified several broken links to the City’s Travel Policy. The new workflow is intended to address these issues.

bird pricing for conferences. The City's Travel Policy states that all employees responsible for traveling decisions must make fiscally responsible choices and highlights many ways in which travelers should make efforts to engage in economical travel. For instance, travelers are supposed to fly coach class on the lowest cost flight that is available that provides for a personal item and a carry-on bag at no extra charge. Regarding lodging, the policy requires that, if the conference hotel is unavailable, the hotel selected must be the one with "the most economical rate" available that is also safe and convenient.¹²

Timeliness in the Travel Process Can be Improved

The travel reimbursement process contains several layers of approval and review before travel expenses are reimbursed. The process can be broken up into the following three areas:

- Travel preauthorization;
- Post-travel reimbursement review of supporting documentation; and
- Reimbursement of travel expenses.

Travel Preauthorization

The City's Travel Policy states that an Approving Official is to review a Travel Request for appropriateness and compliance with the policy. There were a few instances where authorization happened after the travel occurred. Staff reported that some reasons why signatures may occur after the travel are because the traveler received verbal approval or received approval through e-mail. Staff also reported that there may be additional layers of review (beyond the approval fields on the travel forms) which could delay travel approval. The procedures in the Travel Policy provide the expectation for the traveler to submit the Travel Request to their direct supervisor more than four weeks prior to travel day.

Reimbursement of Travel Packet Review

Departments did not always submit reimbursement requests to Finance in a timely manner. The City's Travel Policy provides guidance for the submission of travel documentation to Finance within 30 days of the travel end date. Submissions after 45 days are considered delinquent. There were a few instances

¹² The City uses U.S. General Services Administration rates for travel within the continental United States (CONUS) and State Department rates for international travel for determining rates and limits for lodging expenses. The Travel Policy requires that the traveler stay in the conference hotel at the negotiated rate. It also specifies that up to 150 percent of the CONUS rate would be allowable if the conference hotel is not available.

where the department submitted the reimbursement of travel packets to Finance for processing more than 50 days after the travel occurred.¹³

According to Finance staff, because of incomplete supporting documentation from departments, employee reimbursements for travel were sometimes delayed. There were a few instances where the traveler was reimbursed for their travel expenses more than a month after the department submitted the reimbursement of travel packet to Finance.

As part of the automation of the travel process noted previously, Finance reports that it will include notifications for upcoming and past due submissions.

Opportunities Exist to Provide Travel and P-Card Coordinators With Additional Guidance

Travel coordinators expressed interest in knowing the expectations of what a complete travel packet should look like. Depending on the travel that occurred, travel packets can vary widely. There are different factors travel coordinators must consider as they review packets for completeness and accuracy in alignment with the Travel Policy. A couple of travel coordinators reported having their own internal checklist or resource sheet to help them in their review.

Finance staff reported that they provide an annual training on the travel process for travel coordinators and provide resources on their intranet website. The training is recommended for travel coordinators but is not mandatory. Finance also does not track completion of the training.

Finance's intranet site includes a recording of the June 2022 Travel Policy training refresher that Finance staff provided. The training touches on topics such as:

- Definitions and submission requirements for different types of travel (local, in-state, out-of-state, international, and group travel);
- Allowable ground transportation;
- Airfare requirements;
- Reimbursable travel expenses;
- Submission deadlines;
- Documentation expectations; and
- Reporting gifts of travel.

¹³ Under the policy, submissions over 60 days after travel end date could be considered but are not required to be taxable, though the Finance Department noted that they have not enforced this.

Staff also mentioned that having more periodic trainings was important, given the high turnover that occurs. Several travel coordinators reported being relatively new to the role.

P-Card coordinators could also benefit from training on the Travel Policy. P-Card coordinators also review travel expenses in their review of P-Card packets. The P-Card coordinator for a department may be a different individual than the travel coordinator.

Efforts Are Underway to Improve the Travel Approval Process

The City Manager’s Office is considering updates to the policy that may address guidelines around emergency approvals, clear direction for non-exempt employees, cash advances, and other areas.

Moreover, Finance and the Information Technology Department are in the process of building an electronic travel request and reimbursement solution. Per the developed workflow, the process is expected to include “hard stops” to address exception approvals prior to travel and require proper documentation be attached. It is also expected to provide reporting capabilities, allow updates to the per diem entries after travel occurs, and send reminders to prevent late submittals. Finance reports that training videos will be developed, presented during rollout, and posted on Finance’s intranet site. Finance expects the project to be completed by the end of the 2023 calendar year.

Recommendation:

I: To ensure employee travel complies with the City’s Employee Travel Policy, the Administration should require department travel coordinators and procurement card coordinators complete mandatory training on the policy and associated processes, such as:

- a) Documenting travel expenditures,**
- b) Seeking the most economical travel options, and**
- c) Submitting timely travel requests and packets.**

The training should be completed annually at a minimum, as well as when an individual becomes assigned as a travel or procurement card coordinator. Finance should also track attendance or completion of the training.

Conclusion

The City's Employee Travel Policy provides guidance for authorization of employee travel and reimbursement of travel expenses. Department travel coordinators and Finance staff generally provide the necessary review to ensure compliance with the policy and the appropriateness of employee travel. However, there were instances of supporting documentation missing from travel packets, and we noted other areas where expectations could be clarified for departments, including travel purchased through a City-issued Procurement Card (P-Card), per diem calculations, economical travel, and the timeliness of travel packet submissions. To ensure employee travel complies with the Travel Policy, the Administration should require department travel coordinators and P-Card coordinators complete mandatory training on the City's Travel Policy.

RECOMMENDATION

Finding 1: Travel Expenses Generally Complied With the City's Travel Policy but Additional Training May Be Necessary

Recommendation #1: To ensure employee travel complies with the City's Employee Travel Policy, the Administration should require department travel coordinators and procurement card coordinators complete mandatory training on the policy and associated processes, such as:

- a) Documenting travel expenditures,
- b) Seeking the most economical travel options, and
- c) Submitting timely travel requests and packets.

The training should be completed annually at a minimum, as well as when an individual becomes assigned as a travel or procurement card coordinator. Finance should also track attendance or completion of the training.

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APPENDIX A

Audit Objective, Scope, and Methodology

The mission of the City Auditor's Office is to independently assess and report on City operations and services. The audit function is an essential element of San José's public accountability, and our audits provide the City Council, City management, and the general public with independent and objective information regarding the economy, efficiency, effectiveness, and equity of City operations and services.

In accordance with the City Auditor's Fiscal Year (FY) 2022-23 Audit Work Plan, we have completed an audit of Employee Travel Expenses. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objective of this audit was to review employee travel expenses for appropriateness and compliance with City policies and procedures. We sought to understand the relevant management controls over employee travel expenses, and have performed the following to achieve the audit objective:

- Reviewed the City's Employee Travel Policy, Section 1.8.2 in the City Administrative Policy Manual (CPM), and other City policies and procedures pertaining to City travel, including:
 - Code of Ethics (CPM 1.2.1);
 - Gift Policy (CPM 1.2.2);
 - Policy for Accepting Gifts to the City (CPM 1.2.6);
 - Use of City and Personal Vehicles (CPM 1.8.1);
 - Private Vehicle Mileage Reimbursement (CPM 1.8.3);
 - Vehicle Allowance (CPM 1.8.4); and
 - City Procurement Cards (CPM 5.1.2).
- Analyzed expenditures coded as travel in the City's Financial Management System (FMS) from FY 2002-03 to FY 2021-22
- Reviewed previous travel-related audits conducted by this Office and the status of outstanding recommendations
- Interviewed staff from various departments to understand the travel approval process, including the applicability of the City's gift policy regarding travel
- To test compliance with the City's Employee Travel Policy:
 - We selected a random sample of employee reimbursements within FY 2021-22 to test for compliance. We stratified the random sample by low- and high-volume travel departments. We chose this design to address the risk that departments with less frequent travel and knowledgeable staff may have lower compliance compared to departments that travel more often. In total we reviewed 51 trips (representing \$22,500 in total travel reimbursements). We reviewed exceptions or other questions with relevant department travel coordinators and/or the Finance Department.

- We also reviewed a random sample of travel-related P-Card transactions in FY 2021-22 to test for compliance. In total, we reviewed documentation of 20 P-Card payments with travel expenses (representing \$48,700 in total P-Card travel expenses). We reviewed exceptions or other questions with the Finance Department.

We would like to thank the Finance Department, the City Manager's Office, the City Attorney's Office, and department travel coordinators for their time and insight during the audit process.

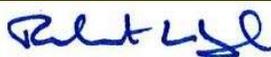
TO: JOSEPH ROIS,
CITY AUDITOR

FROM: Rick Bruneau

SUBJECT: SEE BELOW

DATE: May 2, 2023

Approved



Date 5/1/2023

SUBJECT: RESPONSE TO THE CITY AUDITOR REPORT ON EMPLOYEE TRAVEL EXPENSES: ADDITIONAL TRAINING CAN ENHANCE COMPLIANCE WITH TRAVEL POLICY

The Administration has reviewed the report from the City Auditor entitled *Employee Travel Expenses: Additional Training Can Enhance Compliance with Travel Policy*, which contains one recommendation, described below. This memorandum captures the Administration's agreement with the recommendation and presents an overview of the work required to implement the recommendation, along with the projected target date for completion.

BACKGROUND

City Administrative Policy Manual Section 1.8.2, Employee Travel, provides guidelines to all employees and agents of the City of San José for the proper approval, due diligence, and reimbursement of travel for the City's benefit. The policy was last updated in October 2019.

Periodically, the City Auditor's Office conducts a review of the City's performance to its policy standards. City Council requested the City Auditor to review employee travel expenses for appropriateness and compliance with City policies and procedures as part of its Fiscal Year 2022-2023 Work Plan.

RECOMMENDATION AND ADMINISTRATION RESPONSE

Recommendation #1: To ensure employee travel complies with the City's Employee Travel policy, the Administration should require department travel coordinators and procurement card coordinators complete mandatory training on the policy and associated processes, such as:

- a) Documenting travel expenses,
- b) Seeking the most economical travel options, and

c) Submitting timely travel requests and packets.

The training should be completed annually at a minimum, as well as when an individual becomes assigned as a travel or procurement card coordinator. Finance should also track attendance or completion of the training.

Administration Response: The Administration agrees with this recommendation.

Green – The Finance Department and Information Technology Department are working on Business Process Automation workflows for travel expenses to improve timely and accurate travel request processing. Training videos for (1) travel expense requestors, (2) travel approvers, and (3) travel coordinators will be developed and incorporated into future trainings. The Finance Department will ensure these videos are required during the onboarding of new travel and procurement card coordinators. In addition, the Finance Department will continue to conduct annual training for travel coordinators and will require procurement card coordinators attendance. All training attendance will be mandatory and tracked.

Target Date for Completion: June 30, 2024

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and Office of Employee Relations.

CONCLUSION

The Administration thanks the City Auditor's Office for this audit of employee travel. The Administration agrees with the audit report and recommendation, which will help ensure continued appropriateness of employee travel and compliance with the Employee Travel Policy.

/s/
RICK BRUNEAU
Director of Finance

For questions, please contact Rick Bruneau, Director of Finance, at (408) 535-7011 or rick.bruneau@sanjoseca.gov.