



**CITY OF WEST COVINA
AUDIT COMMITTEE**

**WEDNESDAY, OCTOBER 26, 2022, 6:00 PM
REGULAR MEETING**

**WEST COVINA CITY HALL
MANAGEMENT RESOURCE CENTER (MRC) ROOM 314
WEST COVINA, CALIFORNIA 91790**

AGENDA

**Marsha Solorio, Chair
Miguel Garcia, Vice Chair
Rosario Diaz, Mayor Pro Tem, Council/Audit Committee Member
Jim Grivich, Audit Committee Member
David Lin, Audit Committee Member
Colleen Rozatti, City Treasurer/Audit Committee Member
Tony Wu, Council/Audit Committee Member**

AMERICANS WITH DISABILITIES ACT

The Committee complies with the Americans with Disabilities Act (ADA). If you need special assistance at Committee Meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8:00 a.m. to 5:00 p.m. Monday through Thursday, at least 48 hours prior to the meeting to make arrangements.

AGENDA MATERIAL

Agenda material is available for review at the West Covina City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue and at www.westcovina.org. Any writings or documents regarding any item on this agenda not exempt from public disclosure, provided to a majority of the Commission that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall during normal business hours.

**PUBLIC COMMENTS
ADDRESSING THE AUDIT COMMITTEE MEMBERS**

Any person wishing to address the Committee on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Management Resource Center Room (MRC) and submit the card to the Committee Secretary

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to three (3) minutes per speaker.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ORAL COMMUNICATIONS - Three (3) minutes per speaker

Please state your name and city of residence for the record when recognized by the Committee Chair.

APPROVAL OF MEETING MINUTES

1) JULY 27, 2022, AUDIT COMMITTEE MEETING MINUTES

It is recommended that the Audit Committee receive and file the Minutes of the Audit Committee Meeting on July 27, 2022.

REPORTS

2) FINANCIAL RECOVERY PLAN UPDATE

It is recommended that the Audit Committee receive and file the Financial Recovery Plan Update through September 30, 2022.

3) STATUS UPDATE REGARDING JUNE 30, 2021 AUDIT FINDINGS

It is recommended that the Audit Committee receive and file the Status Update Regarding June 30, 2021, Audit Findings.

4) PURCHASING POLICY VIOLATION LOG

It is recommended that the Audit Committee receive and file the Purchasing Policy Violation Log as of September 30, 2022.

5) FIRE DEPARTMENT BUDGET VS. ACTUALS

It is recommended that the Audit Committee receive and file the Fire Department Budget vs. Actuals as of August 31, 2022.

NEW BUSINESS

1. Revenue and Expenditure Reports
2. Next Meeting Date and Time
 - Suggested date: Monday, December 12, 2022, at 6:00 p.m.

ADJOURNMENT



AGENDA STAFF REPORT

City of West Covina

DATE: 10/26/2022
TO: Audit Committee
FROM: Stephanie Sikkema, Finance Director
SUBJECT: **JULY 27, 2022, AUDIT COMMITTEE MEETING MINUTES**

RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Minutes of the Audit Committee Meeting on July 27, 2022.

Prepared by: Valerie Gonzales, Senior Administrative Assistant
Additional Approval: Stephanie Sikkema, Finance Director

Attachments

Attachment No. 1 - July 27, 2022 Minutes

CITY OF WEST COVINA

AUDIT COMMITTEE

MINUTES

MEETING

WEDNESDAY, JULY 27, 2022, 6:00 p.m.

The meeting of the Audit Committee was called to order at 6:00 p.m. Committee Member/Council Member Tony Wu led the Pledge of Allegiance.

ROLL CALL

Present: Chair Marsha Solorio
Committee Member/Mayor Pro Tem Rosario Diaz
Committee Member Jim Grivich
Committee Member David Lin
Committee Member/Council Member Tony Wu – left meeting at 6:30 p.m.

Absent: Vice-Chair Miguel Garcia
Committee Member/City Treasurer Colleen Rozatti

Staff Present: Finance Director Stephanie Sikkema, Assistant Finance Director Maria-Luisa Olea, Senior Administrative Assistant Valerie Gonzales

ORAL COMMUNICATIONS

None

--- End of Public Comment

PRESENTATIONS

- **Brown Act Training** – Led by Baron Bettenhausen of Jones & Mayor (City Attorney)

1. APPROVAL OF JUNE 9, 2022, AUDIT COMMITTEE SPECIAL MINUTES

A Motion was made by Committee Member Lin and seconded by Committee Member Grivich to approve the Audit Committee minutes of the June 9, 2022, special meeting.

Motion carried by a vote 3-0; 1 absent

REPORTS

2. FINANCIAL RECOVERY PLAN UPDATE

- 1. Ensure that the fees/assessments charged for services align with costs and increase fees to reflect cost reasonably borne in the provision of City services.**
 - a. No Motion
- 2. Review, evaluate, and monitor all City contracts.**
 - a. No Motion
- 3. Set aside land sale revenue to compensate for any shortfalls in revenue that the City experiences as a result of the effects of the pandemic on the City's fiscal year 2020-21 budget.**
 - a. No Motion
- 4. Proactively mitigate risk and exposure to litigation through training and implementation of best risk management practices.**
 - a. No Motion
- 5. Address the excessive cost currently incurred providing fire and emergency medical services.**
 - a. No Motion
- 6. Prepare financial analyses that evaluate both the short-term and long-term financial implications of significant spending decisions.**
 - a. No Motion
- 7. Implement a formal process for development of reasonable budget projections.**
 - a. No Motion
- 8. Meet and confer regarding negotiation of employee union agreements.**
 - a. No Motion
- 9. Improve internal purchasing processes/enforcement to reduce susceptibility to waste and fraud.**

A motion was made by Committee Member Grivich and seconded by Committee Member Lin, for Item Number 2, that the City establish a violation log of all violations of the Purchasing Policy and the log be shared with the Audit Committee.

Motion carried by a vote of 3-0; 1 absent

3. STATUS UPDATE REGARDING JUNE 30, 2021, AUDIT FINDINGS

No Motion – Receive and File

NEW BUSINESS

1. Revenue and Expenditure Reports

- a. Chair Solorio and Member Grivich requested to add the following item on the next meeting agenda, Fire Department Budget vs. Actuals.

2. Next Meeting Date and Time

- o **Suggested date: October 26, 2022, at 6:00 p.m. – All agreed**

ADJOURNMENT

Chair Solorio moved to adjourn the meeting at 7:10 p.m.

Valerie Gonzales
Audit Committee Secretary

DRAFT



AGENDA STAFF REPORT

City of West Covina

DATE: 10/26/2022
TO: Audit Committee
FROM: Stephanie Sikkema, Finance Director
SUBJECT: FINANCIAL RECOVERY PLAN UPDATE

RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Financial Recovery Plan Update through September 30, 2022.

BACKGROUND:

With the goal of improving government performance, the Joint Legislative Audit Committee (JLAC) was established by the California State Legislature. JLAC, independently and through the work of the State Auditor's Office, oversees the operations and finances of government entities. Audits considered by the JLAC include financial and financial-related audits of government entities. In December 2019, the State Auditor's Office informed the City of West Covina that it had been selected for review under the high-risk local Government Agency Audit Program. The State Auditor completed its audit and published its report on December 1, 2020. To view the report, please visit:

<http://www.auditor.ca.gov/reports/2020-806/index.html>

One of the State Auditor's recommendations was that West Covina develop a formal financial recovery plan to prioritize resources and assign responsibility for monitoring progress in implementing the plan.

DISCUSSION:

The Financial Recovery Plan (Attachment No. 1) is a pathway to gaining stability – it identifies key elements based upon the State Auditor objectives: action steps, expected completion dates, responsible staff, and status updates. The Audit Committee reviewed the Financial Recovery Plan on March 24, 2021, and City Council approved it on April 6, 2021. **Attached is the monthly update regarding the status of objectives included the Financial Recovery Plan through September 30, 2022.**

Additionally, the City of West Covina is currently ranked number 14 for the worst Fiscal Health among California Cities. This ranking is based on the FY2020-21 Annual Comprehensive Financial Report (to view the City Rankings and their criteria, please visit:

https://www.auditor.ca.gov/local_high_risk/dashboard-csa). **The rankings for FY2020-21 are now available on the dashboard.**

Prepared by: Stephanie Sikkema, Finance Director

Additional Approval:

Attachments

Attachment No. 1 - Financial Recovery Plan

City of West Covina
Financial Recovery Plan
Monthly Update
September 2022

Description of intended corrective actions, timing, prioritization of resources, and identification of individuals responsible for monitoring progress/implementation

State Auditor Objective No.	Action Steps	Expected Completion Date	Responsible Staff (Lead/Support)	Status Report (September 2022)
<p>1. Ensure that the fees/assessments charged for services align with costs and increase fees to reflect cost reasonably borne in the provision of city services</p>	<p>1. Retain consultant to determine strengths and weakness of existing service delivery models. Assess City costs and revenue sources. Examine all revenue sources (local, state and federal) to develop sustainable and defensible revenue streams</p> <p>2. Examine all direct and indirect costs of fees for service, development impact fees and landscape/sewer district assessments</p>	<p>1. RFP release – April July 2021</p> <p>2. Establish budget for fee study – May November 2021</p> <p>3. Consultant kick-off – June December 2021</p> <p>4. Draft Fee Study – October June 2021 2022</p> <p>5. City Council adoption – December 2021 August 2022</p> <p>6. If voter approval is required (assessment districts only) – November 2022</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – Assistant City Clerk, Planning Manager, City Engineer, and Public Services Supervisor</p>	<p>Pending. No new updates.</p> <p>The Consultant continues to meet with various departments, review, and update the draft proposed fees.</p> <p>The Consultant submitted draft Cost Allocation Plan for staff review in June.</p> <p>Staff held kick-off meetings to begin the cost allocation plan and fee study in January 2022.</p> <p>City Council awarded a Request for Proposals (RFP) to Revenue & Cost Specialists to conduct a Municipal Fee Study and established a budget in November 2021.</p> <p>The RFP was originally advertised in July 2021.</p>

State Auditor Objective No.	Action Steps	Expected Completion Date	Responsible Staff (Lead/Support)	Status Report (September 2022)
<p>2. Review, evaluate, and monitor all city contracts</p>	<p>1. City Clerk to prepare list of current contracts.</p> <p>2. Risk Management to verify insurance is current</p> <p>3. Responsible Department designated contract manager to evaluate consultant effectiveness and work quality (e.g. waste hauling and street sweeping)</p> <p>4. Ensure competition for procurements. Follow competitive bidding processes and monitor contract term, especially when exceeding five years</p>	<p>1. List of current contracts – April 2021</p> <p>2. Insurance verification – May 2021</p> <p>3. Departmental review – June 2021</p> <p>4. Review and update City’s purchasing, contracting, and bidding procedures – June 2021 June 2022</p>	<p><u>Lead</u> – Assistant City Clerk</p> <p><u>Support</u> – All Departments</p>	<p>This objective is complete.</p> <p>The contract list and insurance verification were completed in July. The City Clerk’s office will review, verify, and update the list as necessary. Additionally, the City has a formal process within its Purchasing Policy (pg. 40-41) that establishes uniform procedures for the preparation, presentation and execution of city and contract documents.</p> <p>The new Purchasing Policy was adopted by City Council on June 21st. The new ordinance took effect July 21, 2022.</p>
<p>3. Set aside land sale revenue to compensate for any shortfalls in revenue that the City experiences as a result of the effects of the pandemic on the City’s fiscal year 2020-21 budget</p>	<p>1. Economic Development Office to track all land sales and report as to use of proceeds of sales</p> <p>2. Finance Department to estimate City portion of each land sale</p>	<p>Review, update and publish list of City of West Covina land held for resale assets – June 2021</p>	<p><u>Lead</u> – City Manager’s Office</p> <p><u>Support</u> – Successor Agency staff</p>	<p>This objective is complete.</p> <p>Land held for resale has been identified and is reflected in the City’s Annual Comprehensive Financial Report.</p>

<p>4. Proactively mitigate risk and exposure to litigation through training and implementation of best risk management practices</p>	<p>1. City joined the CJPIA on July 1, 2020</p> <p>2. Review LossCap Action Plan regularly, including “top 5” important priority issues</p> <p>3. Establish quarterly high-level executive team meetings and safety committee meetings for LossCap review</p> <p>4. Corrective actions taken as identified in the Initial Risk Management Evaluation</p>	<p>1. Quarterly meetings: March, June, September, and December</p> <p>2. 50% of corrective actions completed by December 2021 August 2022</p> <p>3. 100% of corrective actions completed by December 2023</p>	<p><u>Lead</u> – Human Resources & Risk Management Director</p> <p><u>Support</u> – All Departments</p>	<p>Steps 1, 2 and 3 are complete.</p> <p>Step 4 is pending.</p> <p>As of the end of September, all Action Items on the Initial Risk Management Evaluation have been started and are either In Work or have been Completed and 62% is Complete</p> <p>HR: 29 Action Items: 14 Completed 15 In Work 48% Complete</p> <p>Comm. Dev. 5 Action Items: 4 Completed 1 In Work 80% Complete</p> <p>Public Services 31 Action Items 16 Completed 15 In Work 52% Complete</p> <p>Fire 6 Action Items 4 Completed 2 In Work 67% Complete</p> <p>This update is provided by CJPIA.</p>
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<p>5. Address the excessive cost currently incurred providing fire and emergency medical services</p>	<ol style="list-style-type: none"> 1. Evaluate current Fire Department deployment model 2. Document reasons for absences causing OT 3. Develop viable alternatives for fire and emergency management services 4. Discuss alternative plans with appropriate stakeholders 	<ol style="list-style-type: none"> 1. Analyze current deployment – April 1, 2021 2. Analyze alternatives – May 1, 2021 3. Meet with stakeholders – June 1, 2021 	<p><u>Lead</u> – Fire Chief</p> <p><u>Support</u> – Finance Director and Human Resources Director</p>	<p>Pending.</p> <p>Negotiations with the Firefighters Association were finalized in September and City Council approved a new Memorandum of Understanding October 4, 2022. The following provisions were incorporated to alleviate excessive overtime: Other than actual hours worked, only vacation leave and compensatory time off shall be considered hours worked for the purpose of the hours worked calculation for overtime. Additionally, limitations on the number of people allowed off on vacation per shift were reduced to 2 Captains; 2 Engineers; 1 Firefighter and 2 Firefighter/Paramedics or 3 Firefighter/Paramedics.</p> <p>Additionally, staff internally evaluates overtime with each payroll and reports to City Management.</p> <p>Staff engaged the services of Messina and Associates to provide a high-level review of the current fire and emergency services in April. In May, staff received and evaluated the final report (WCFD Service Delivery Review).</p>
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<p>6. Prepare financial analyses that evaluate both the short-term and long-term financial implications of significant spending decisions</p>	<p>1. Use a multiyear forecast to quantify the impact of decisions on the city's financial condition</p> <p>2. Evaluate short and long-term impacts of major revenue and expenditure decisions. Recognize trade-offs and opportunities of each decision</p>	<p>1. Prepare and annually update the forecast to include all projected revenue and expenditures, adding information on new assumptions, unanticipated costs, and cost-saving actions – July 2022</p> <p>2. Prepare a financial evaluation template – August 2021 April 2022</p> <p>3. Staff training – September 2021 2022</p> <p>4. Include fiscal impact in Council agenda actions – December 2021 2022</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – All Departments</p>	<p>Step 1 is complete.</p> <p>The multi-year forecast was updated in March 2022 and provided to Council in April 2022.</p> <p>Step 2 is Pending. No new updates.</p> <p>Staff has started testing a few templates, including a three-year fiscal impact for multi-year contracts, on staff reports presented for Council consideration. Once refined, these templates will be rolled out citywide.</p>
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<p>7. Implement a formal process for development of reasonable budget projections</p>	<p>1. Review accuracy of quarterly budget projections, comparing current year to previous year actual revenue and expenditures and factoring in known events that will change year-to-year data.</p> <p>2. Track quarterly building and planning activity</p> <p>3. Incorporate HdL sales tax information into quarterly, mid-year and annual budget estimates</p> <p>4. Budget for risk management costs based upon actual loss experience</p>	<p>1. Meet quarterly with Directors to review activity and trends – March, June, September, and December</p> <p>2. Use HdL data to support revenue projections for sales, property tax, transient occupancy tax, business license fees – May 1, 2021</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – Assistant City Manager</p>	<p>This objective is complete.</p> <p>The budget process is formalized with Budget Preparation Instructions and standardized forms.</p> <p>The City analyzes budget projections, comparing current year to previous year actual revenue and expenditures, building and planning activity quarterly and provides a Quarterly Financial Report to Council.</p> <p>Additionally, staff meets with HdL quarterly to review sales tax estimates.</p>
<p>8. Meet and confer regarding negotiation of employee union agreements</p>	<p>Begin meet and confer process with all labor groups to review a) CPI, b) City's ability to pay, and c) labor market competitiveness on a total compensation basis including base salary, differentials, medical, pensions, and OPEB</p>	<p>1. Meet and confer process starts – April 2021</p> <p>2. Regular Closed session updates to City Council</p> <p>3. Meet & confer process completed – July October 2022</p>	<p><u>Lead</u> – Human Resources Director</p> <p><u>Support</u> – Finance Director and City Manager</p>	<p>This objective is complete.</p> <p>Negotiations with the Firefighters Association were finalized in September and City Council approved a new Memorandum of Understanding October 4, 2022.</p> <p>City Council approved 3-year agreements with 5 of the labor groups in November 2021, 2 groups in January 2022, and 1 group in February 2022.</p>

<p>9. Improve internal purchasing processes/enforcement to reduce susceptibility to waste and fraud</p>	<p>1. Review purchasing policy and credit card usage to determine compliance with Best Management Practices</p> <p>2. Evaluate California Uniform Public Construction Cost Accounting Act (Public Contract Code 22000-22045)</p>	<p>1. Adopt revised purchasing and credit card usage policies as appropriate – October 2021 June 2022</p> <p>2. Adopt ordinance enacting California Uniform Public Construction Cost Accounting Act – August 2021</p>	<p><u>Lead</u> – Finance Director</p> <p><u>Support</u> – City Attorney’s Office and City Engineer</p>	<p>This objective is complete.</p> <p>In May 2021, City Council approved to include the California Uniform Public Construction Act Cost Accounting Act procedures within the Municipal Code.</p> <p>The new Purchasing Policy was adopted by City Council on June 21st. The new ordinance took effect July 21, 2022.</p>
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AGENDA STAFF REPORT

City of West Covina

DATE: 10/26/2022
TO: Audit Committee
FROM: Stephanie Sikkema, Finance Director
SUBJECT: STATUS UPDATE REGARDING JUNE 30, 2021 AUDIT FINDINGS

RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Status Update Regarding June 30, 2021, Audit Findings.

BACKGROUND:

The Annual Comprehensive Finance Report for June 30, 2021, reported a material weakness relating to the administration and accounting of the Housing Loans. The Audit Committee reviewed the Annual Comprehensive Financial Report with the related reports; specifically the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements performed in accordance with Government Auditing Standards on February 9, 2022, with City Council approving it on March 15, 2022. Additionally, the finding was discussed with the Audit Committee on June 9, 2022, following a presentation by the City's financial audit firm, Van Lant & Fankhanel, LLP. Below is the actual finding.

Condition:

The City and Housing Authority have issued loans in prior years for first-time homebuyers and home improvement loans. The terms of these loans vary depending on the loan type and the period when it was issued. As part of our audit procedures, we selected various loans listed on the loans receivable schedule provided and reviewed the related promissory notes. Based on this review, we found that certain loans required periodic payments to be made throughout the year, however, it does not appear that the City has been receiving payments in accordance with the terms of the loan. In another instance, City staff were unable to provide the promissory note for the loan selected. In addition, one of the promissory notes reviewed indicates a 5% interest rate, charged annually, on the outstanding balance of the loan, however, through discussions with City staff, the City is not calculating and charging 5% per year.

Criteria:

In a strong internal control environment, procedures should be established to ensure the loans receivable schedule is properly maintained throughout the year, payments are collected and recorded in accordance with the applicable promissory notes, and proper records are maintained for all loans receivable balances.

Cause of Condition:

A large number of the first-time homebuyer and housing improvement loans were issued many years ago, in some cases 30+ years or more, and it does not appear that detailed administration and tracking of these loans has been done annually to ensure the loan balances are sufficiently tracked and

accounted for each year.

Potential Effect of Condition:

The City may not be collecting the full value of the amounts due in accordance with the terms of the promissory note agreements.

Recommendation:

We recommend the City perform a detailed review of the loan balances and perform test recalculations of the interest balances on the loans to ensure the interest calculations are in accordance with the executed loan agreements and that payments are being collected in accordance with these agreements.

Views of Responsible Officials:

The City will perform a detailed review of the loans to ensure the interest calculations and collections are done in accordance with the executed loan agreements. Additionally, the City will establish a process for updating loan balances moving forward.

DISCUSSION:

October 2022 Update:

On August 16, 2022, City Council approved revised guidelines for the City of West Covina Housing Preservation Loan Program, wrote-off a total of twenty-two (22) former housing loans totaling \$192,858.00, and ratified any former housing loans that were paid-off and incorrectly charged interest by the City and/or AmeriNat (City's loan servicer) prior to August 16, 2022.

Additionally, Finance Staff consolidated its ledgers for the programs down to two and verified all loans included on the ledgers. Attached are the loans receivable summaries for the two programs.

Prepared by: Stephanie Sikkema, Finance Director

Additional Approval:

Attachments

Attachment No. 1 - Loans Receivables

FUND: 131 LOANS RECEIVABLE SUMMARY

GL	6/30/2021 LOAN BALANCE	NEW ISSUANCE	PRINCIPAL	6/30/2022 LOAN BALANCE
HILP	3,200,894.10	-	73,113.05	3,127,781.05
HPP	171,316.00	-	12,100.00	159,216.00
131.12700 SUBTOTAL	3,372,210.10	-	85,213.05	3,286,997.05

HPP	LOAN #	LAST NAME	FIRST NAME	6/30/2022 PRINCIPAL
	131-0020	AHUMADA	SILVIA S.	10,050.00
	131-0024	MONGELLI	DIANE	2,050.00
				12,100.00

HILP	LOAN #	LAST NAME	FIRST NAME	6/30/2022 PRINCIPAL
	910	CRESS & AFFSA		6,570.00
	6050	MARKHAM	ALVIN FRANK & ESPERANZ	14,716.00
	7013	ALEXANDER	ALLEN & AUDREY	10,047.00
	11045	LOPEZ	GUADALUPE	3,050.00
	12046	REAGAN	BETTY	10,050.00
	16049	LOPEZ	GUADALUPE	8,580.00
	19034	WEBB	JEFFREY & ORA	10,050.00
	19036	PEREA	JERRY & BARBARA	10,050.00
				73,113.00

FUND:820 LOANS RECEIVABLE SUMMARY

	6/30/2021 LOAN BALANCE	NEW ISSUANCE	PRINCIPAL	6/30/2022 LOAN BALANCE	
FTHB	177,446.84	-	34,917.48	142,529.36	
HILP	688,912.62	-	25,783.43	663,129.19	
HRP	353,887.67	-	-	353,887.67	
HPP	404,643.39	-	24,485.18	380,158.21	
HPP	268,738.83	20,100.00	25,550.00	263,288.83	
	673,382.22	20,100.00	50,035.18	643,447.04	
AHL	400,000.00	-	-	400,000.00	
820.12700	SUBTOTAL	2,293,629.35	20,100.00	110,736.09	2,202,993.26

PRINCIPAL PAYMENTS

FTHB	LOAN #	LAST NAME	FIRST NAME	6/30/2022 PRINCIPAL
	8	ABDRABO/ABDRA	OSAMA & MANAL	1,281.15
	16	CANO	SALVADOR/DELGADO	1,477.79
	6	CORONA	BALVINA	11.55
	17	DANIELS	BRENDA	1,739.21
	7	ESQUIVEL	JUVENTINO	4,080.79
	11	GARCIA	MANUEL	1,524.44
	12	HUNTER	DARSHA	4,236.29
	13	MENDEZ	LETICIA	12,362.37
	6	MUNIZ	BERNARD	1,433.96
	16	ORTH	LORINDA	993.09
	17	RODRIGUEZ	JOE PAUL	1,707.63
	11	ROMERO	OSCAR & ROCIO	1,363.93
	2	RUBIO	RODOLFO & MARIA	1,142.75
	6	VEJAR	LORENZO & OLGA	1,562.53
				34,917.48

FUND:820 LOANS RECEIVABLE SUMMARY

HILP	LOAN#	LAST NAME	FIRST NAME	6/30/2022 PRINCIPAL
	40012	BRIONES	SILAS & DANA	9,883.43
	40027	MATA	EFRAIN & MARICELA	5,850.00
	40040	PEDRAZA	OLGA	10,050.00
				25,783.43
HPP	LOAN#	LAST NAME	FIRST NAME	6/30/2022 PRINCIPAL
	94	LU-TZU	LEE	669.78
	20	BALLESTEROS	RAY	2,165.25
	221	BATES	RICHARD & CYNTHIA	6,246.52
	206	CERDA	MARINA	90.40
	314	HERNANDEZ	MARIE	2,422.35
	347	FIERRO	LORRAINE	316.88
	425	ORTEGA	JOE & MARIA	501.94
	403	DEGUIA	VICTOR & MARIA	1,546.76
	608	LOPEZ	MARIA	475.30
	1003	DOMINGA	MALLARI	10,050.00
				24,485.18
HPP	LOAN#	LAST NAME	FIRST	6/30/2022 PRINCIPAL
	820-0004	CHIEN	ROY & AHNA	10,050.00
	820-0017	LUERAS	RICHARD H. & SALLY C.	5,450.00
	820-0032	SMITH	LIANE	10,050.00
				25,550.00
HPP- TOTAL				50,035.18

NEW ISSUANCE

HPP	LOAN#	LAST NAME	FIRST	6/30/2022 NEW ISSUANCE
	820-0034	REYNOSO	ADRIENNE	10,050.00
	820-0035	LUNA	JOSE LUIS & ESPERANZA	10,050.00
				20,100.00



AGENDA STAFF REPORT

City of West Covina

DATE: 10/26/2022
TO: Audit Committee
FROM: Stephanie Sikkema, Finance Director
SUBJECT: PURCHASING POLICY VIOLATION LOG

RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Purchasing Policy Violation Log as of September 30, 2022.

BACKGROUND:

During the meeting held on July 27, 2022, the Audit Committee requested updates regarding the City's Purchasing Policy Violation Log.

DISCUSSION:

Attached is the Purchasing Policy Violation Log as of September 30, 2022.

Prepared by: Stephanie Sikkema, Finance Director

Additional Approval:

Attachments

Attachment No. 1 - Purchasing Violation Log FY 2022-23

Violation of Purchasing Policy Log FY2022-24

Date	Department	Purchase	Amount	Violation
07/11/2022	Public Services	Alarm maintenance	\$ 2,894.00	Purchase over \$2.5k without prior authorization.
07/11/2022	Public Services	Median tree lights/Azusa Av	\$ 2,897.89	Purchase over \$2.5k without prior authorization.
07/05/2022	Human Resources	Covid-19 testing	\$ 3,590.65	Purchase over \$2.5k without prior authorization.
09/27/2022	Administration	Event Rental	\$ 9,411.80	Purchase over \$5k without prior authorization.



AGENDA STAFF REPORT

City of West Covina

DATE: 10/26/2022
TO: Audit Committee
FROM: Stephanie Sikkema, Finance Director
SUBJECT: FIRE DEPARTMENT BUDGET VS. ACTUALS

RECOMMENDATION:

It is recommended that the Audit Committee receive and file the Fire Department Budget vs. Actuals as of August 31, 2022.

BACKGROUND:

During the meeting held on July 27, 2022, the Audit Committee requested to add the following item on the next meeting agenda, Fire Department Budget vs. Actuals.

DISCUSSION:

Attached are Fire Department Budget vs. Actuals as of August 31, 2022.

Prepared by: Stephanie Sikkema, Finance Director

Additional Approval:

Attachments

Attachment No. 1 - Fire Department Budget vs. Actuals

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 10/20/2022 3:17PM
 Periods: 0 through 2

Expenditure Status Report
 As of 10/20/2022
 City of West Covina
 07/01/2022 through 8/31/2022

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110 GENERAL FUND

32 FIRE

3210 FIRE

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
5110 SWORN FULL TIME SALARIES	7,528,493.00	1,026,516.52	1,026,516.52	0.00	6,501,976.48	13.64
5111 FULL TIME SALARIES	226,742.00	16,555.99	16,555.99	0.00	210,186.01	7.30
5113 OVER TIME SALARIES	3,233,160.00	700,978.77	700,978.77	0.00	2,532,181.23	21.68
5115 PARAMEDIC PAY	159,105.00	21,176.12	21,176.12	0.00	137,928.88	13.31
5116 FIRE INVESTIGATOR PAY	1,200.00	164.82	164.82	0.00	1,035.18	13.74
5117 BILINGUAL PAY	13,200.00	2,030.60	2,030.60	0.00	11,169.40	15.38
5118 FLSA OVERTIME	123,600.00	15,440.16	15,440.16	0.00	108,159.84	12.49
5119 LONGEVITY PAY	255,788.00	36,222.73	36,222.73	0.00	219,565.27	14.16
5120 EDUCATIONAL INCENTIVE	230,322.00	37,144.36	37,144.36	0.00	193,177.64	16.13
5122 HOLIDAY OPT/PERSABLE	303,925.00	42,101.67	42,101.67	0.00	261,823.33	13.85
5124 SICK LEAVE BUY BACK	14,980.00	0.00	0.00	0.00	14,980.00	0.00
5125 VACATION BUY BACK	14,770.00	0.00	0.00	0.00	14,770.00	0.00
5129 MUTUAL AID OVERTIME	1,138,225.00	2,867.61	2,867.61	0.00	1,135,357.39	0.25
5132 UNIFORM ALLOWANCES	68,000.00	4,500.00	4,500.00	0.00	63,500.00	6.62
5151 WORKERS' COMPENSATION	500,450.00	138,642.06	138,642.06	0.00	361,807.94	27.70
5152 HEALTH/FLEX BENEFIT	1,208,144.00	196,256.05	196,256.05	0.00	1,011,887.95	16.24
5153 GROUP LIFE	7,973.00	1,402.84	1,402.84	0.00	6,570.16	17.59
5154 GROUP LONG TERM DISABILITY	1,562.00	56.72	56.72	0.00	1,505.28	3.63
5155 MEDICARE	127,722.00	26,663.18	26,663.18	0.00	101,058.82	20.88
5156 RETIREMENT - SAFETY	1,480,341.00	239,260.30	239,260.30	0.00	1,241,080.70	16.16
5157 RETIREMENT - NONSWORN	17,142.00	1,226.50	1,226.50	0.00	15,915.50	7.15
5158 DEFERRED COMPENSATION	43,556.00	6,300.00	6,300.00	0.00	37,256.00	14.46
5159 DENTAL INS BENEFIT	44,481.00	7,071.40	7,071.40	0.00	37,409.60	15.90
5160 RETIREE MEDICAL BENEFIT	669,800.00	163,195.81	163,195.81	0.00	506,604.19	24.36
5161 VISION	27,739.00	4,427.17	4,427.17	0.00	23,311.83	15.96
5163 RETIREMENT HEALTH SAVINGS PLAN	98,400.00	17,200.00	17,200.00	0.00	81,200.00	17.48
5169 EPMC REPLACEMENT PLAN	37,244.00	5,205.41	5,205.41	0.00	32,038.59	13.98
5175 FIRE OFFICER CERTIFICATION PAY	18,039.00	2,922.15	2,922.15	0.00	15,116.85	16.20
5180 LEAVE LUMP SUM	54,060.00	0.00	0.00	0.00	54,060.00	0.00
5181 PERS UAL PMT - SAFETY	540,042.00	522,078.72	522,078.72	0.00	17,963.28	96.67

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110 GENERAL FUND

32 FIRE

3210 FIRE

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
5182 PERS UAL PMT - MISCELLANEOUS	21,740.00	21,016.69	21,016.69	0.00	723.31	96.67
5251 AUTO ALLOWANCE	3,600.00	0.00	0.00	0.00	3,600.00	0.00
5253 CASH BACK	94,450.00	11,908.29	11,908.29	0.00	82,541.71	12.61
Total PERSONNEL SERVICES	18,307,995.00	3,270,532.64	3,270,532.64	0.00	15,037,462.36	17.86
6011 UNIFORMS	73,500.00	4,036.89	4,036.89	6,650.58	62,812.53	14.54
6030 MEMBERSHIPS & SUBSCRIPTIONS	3,600.00	0.00	0.00	0.00	3,600.00	0.00
6050 CONFERENCES & MEETINGS	3,800.00	0.00	0.00	0.00	3,800.00	0.00
6110 PROFESSIONAL SERVICES	116,700.00	17,042.50	17,042.50	62,855.16	36,802.34	68.46
6120 OTHER CONTRACTUAL SERVICES	180,800.00	0.00	0.00	152,744.80	28,055.20	84.48
6130 SERVICE CONTRACTS	117,538.00	2,437.10	2,437.10	0.00	115,100.90	2.07
6141 NATURAL GAS	13,900.00	702.78	702.78	0.00	13,197.22	5.06
6142 ELECTRICITY	31,400.00	1,369.39	1,369.39	0.00	30,030.61	4.36
6143 WATER	1,900.00	0.00	0.00	0.00	1,900.00	0.00
6145 TELEPHONE -- SPECIAL LINES	10,000.00	1,132.09	1,132.09	0.00	8,867.91	11.32
6147 CELLULAR PHONES	20,000.00	1,878.90	1,878.90	0.00	18,121.10	9.39
6210 OFFICE SUPPLIES	7,000.00	538.64	538.64	0.00	6,461.36	7.69
6213 POSTAGE	200.00	0.00	0.00	0.00	200.00	0.00
6214 PRINTING & COPYING	500.00	55.59	55.59	0.00	444.41	11.12
6233 MEDICAL & OXYGEN SUPPLIES	177,500.00	438.63	438.63	0.00	177,061.37	0.25
6270 OTHER SUPPLIES / MATERIALS	109,500.00	11,709.87	11,709.87	21,000.00	76,790.13	29.87
6329 OTHER VEHICLE SUBLET REPAIRS	3,500.00	0.00	0.00	0.00	3,500.00	0.00
6330 EQUIPMENT M & R	23,100.00	1,698.19	1,698.19	3,424.20	17,977.61	22.17
6331 OFFICE EQUIPMENT M & R	7,000.00	0.00	0.00	0.00	7,000.00	0.00
6341 PERS HEALTH ADMIN FEE	4,535.00	967.62	967.62	0.00	3,567.38	21.34
6424 CAPITALIZED LEASE PAYMENTS	2,900.00	0.00	0.00	0.00	2,900.00	0.00
6490 MISCELLANEOUS EXPENSES	21,600.00	0.00	0.00	58,812.25	-37,212.25	272.28
6551 FIRE TRAINING COSTS	20,000.00	0.00	0.00	0.00	20,000.00	0.00
Total MATERIALS AND SERVICES	950,473.00	44,008.19	44,008.19	305,486.99	600,977.82	36.77
Total CAPITAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
8102 PROPERTY & LIABILITY INS CHARGES	614,400.00	102,400.00	102,400.00	0.00	512,000.00	16.67

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 City of West Covina
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110 GENERAL FUND

32 FIRE

3210 FIRE

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
8104 VEHICLE MAINTENANCE CHARGES	322,400.00	3,923.10	3,923.10	0.00	318,476.90	1.22
8105 FUEL USAGE CHARGES	136,880.00	36,637.58	36,637.58	0.00	100,242.42	26.77
Total ALLOCATION	1,073,680.00	142,960.68	142,960.68	0.00	930,719.32	13.32
Total FIRE	20,332,148.00	3,457,501.51	3,457,501.51	305,486.99	16,569,159.50	18.51

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110 GENERAL FUND
32 FIRE
3213 FIRE-GRANT

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
Total FIRE-GRANT	0.00	0.00	0.00	0.00	0.00	0.00

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110 GENERAL FUND
 32 FIRE
 3220 AMBULANCE SERVICE

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
Total CAPITAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
Total AMBULANCE SERVICE	0.00	0.00	0.00	0.00	0.00	0.00

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110 GENERAL FUND
 32 FIRE
 3230 FIRE PREVENTION

<u>Account Number</u>	<u>Adjusted Appropriation</u>	<u>Expenditures</u>	<u>Year-to-date Expenditures</u>	<u>Year-to-date Encumbrances</u>	<u>Balance</u>	<u>Prct Used</u>
5111 FULL TIME SALARIES	71,579.00	0.00	0.00	0.00	71,579.00	0.00
5112 PART TIME SALARIES	32,366.00	9,422.69	9,422.69	0.00	22,943.31	29.11
5132 UNIFORM ALLOWANCES	700.00	0.00	0.00	0.00	700.00	0.00
5151 WORKERS' COMPENSATION	1,629.00	426.30	426.30	0.00	1,202.70	26.17
5152 HEALTH/FLEX BENEFIT	6,600.00	0.00	0.00	0.00	6,600.00	0.00
5153 GROUP LIFE	117.00	0.00	0.00	0.00	117.00	0.00
5154 GROUP LONG TERM DISABILITY	364.00	0.00	0.00	0.00	364.00	0.00
5155 MEDICARE	1,517.00	66.52	66.52	0.00	1,450.48	4.38
5158 DEFERRED COMPENSATION	600.00	0.00	0.00	0.00	600.00	0.00
5159 DENTAL INS BENEFIT	222.00	0.00	0.00	0.00	222.00	0.00
5161 VISION	205.00	0.00	0.00	0.00	205.00	0.00
5163 RETIREMENT HEALTH SAVINGS PLAN	1,200.00	0.00	0.00	0.00	1,200.00	0.00
5180 LEAVE LUMP SUM	5,170.00	0.00	0.00	0.00	5,170.00	0.00
5182 PERS UAL PMT - MISCELLANEOUS	5,435.00	5,254.17	5,254.17	0.00	180.83	96.67
Total PERSONNEL SERVICES	127,704.00	15,169.68	15,169.68	0.00	112,534.32	11.88
6011 UNIFORMS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
6030 MEMBERSHIPS & SUBSCRIPTIONS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
6050 CONFERENCES & MEETINGS	700.00	0.00	0.00	0.00	700.00	0.00
6110 PROFESSIONAL SERVICES	61,600.00	5,134.90	5,134.90	30,000.00	26,465.10	57.04
6270 OTHER SUPPLIES / MATERIALS	5,000.00	0.00	0.00	0.00	5,000.00	0.00
6329 OTHER VEHICLE SUBLET REPAIRS	1,800.00	0.00	0.00	0.00	1,800.00	0.00
Total MATERIALS AND SERVICES	71,100.00	5,134.90	5,134.90	30,000.00	35,965.10	49.42
Total CAPITAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
Total ALLOCATION	0.00	0.00	0.00	0.00	0.00	0.00
Total FIRE PREVENTION	198,804.00	20,304.58	20,304.58	30,000.00	148,499.42	25.30

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110 GENERAL FUND
 32 FIRE
 3240 EMERGENCY SERVICES

<i>Account Number</i>	<i>Adjusted Appropriation</i>	<i>Expenditures</i>	<i>Year-to-date Expenditures</i>	<i>Year-to-date Encumbrances</i>	<i>Balance</i>	<i>Prct Used</i>
Total PERSONNEL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
6030 MEMBERSHIPS & SUBSCRIPTIONS	200.00	0.00	0.00	0.00	200.00	0.00
6050 CONFERENCES & MEETINGS	1,500.00	0.00	0.00	0.00	1,500.00	0.00
6110 PROFESSIONAL SERVICES	6,000.00	0.00	0.00	0.00	6,000.00	0.00
6145 TELEPHONE -- SPECIAL LINES	6,200.00	977.65	977.65	0.00	5,222.35	15.77
6210 OFFICE SUPPLIES	300.00	0.00	0.00	0.00	300.00	0.00
6270 OTHER SUPPLIES / MATERIALS	3,500.00	0.00	0.00	0.00	3,500.00	0.00
Total EMERGENCY SERVICES	17,700.00	977.65	977.65	0.00	16,722.35	5.52
Total GENERAL FUND	20,548,652.00	3,478,783.74	3,478,783.74	335,486.99	16,734,381.27	18.56
Grand Total	20,548,652.00	3,478,783.74	3,478,783.74	335,486.99	16,734,381.27	18.56