

**DRAFT****RESOLUTION 20xx-xxx****RESOLUTION AMENDING BOARD OF PORT COMMISSIONERS (BPC) POLICY NO. 776, PORT AUDIT OVERSIGHT COMMITTEE ADDING SECTION 5, MILEAGE REIMBURSEMENT**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

**WHEREAS**, the Audit Oversight Committee's work plan for the current year included a review of Board of Port Commissioners (BPC) Policy No. 776, Port Audit Oversight Committee (AOC or Committee), which defines the purpose, authority, and responsibility of the District's Port Auditor function; and

**WHEREAS**, during the March 2024 AOC meeting, the Port Auditor presented the BPC policy for review, and as a result, the Committee recommended amending BPC Policy No. 776 to provide mileage reimbursement for public members and requested it be presented to the BPC for review and approval; and

**WHEREAS**, in 2004, the Board of Port Commissioners (BPC) created the Audit Advisory Committee to assist the BPC in fulfilling its fiduciary oversight responsibilities under the guidelines of all BPC advisory committees, established in BPC Policy No. 018, and articulated in the Committee's Charter; and

**WHEREAS**, on December 13, 2016, the Board approved BPC Policy Number 776 – Audit Oversight Committee Policy, which disbanded the Audit Advisory Committee and established the Audit Oversight Committee (AOC) to better reflect the committee's purpose. It's important to note that AOC public volunteers are appointed by the BPC and are required to submit a Statement of Economic Interest (Form 700); and

**WHEREAS**, the AOC is governed by BPC Policy Number 776 – Port Audit Oversight Committee Policy, which determines the makeup of the AOC. The AOC comprises five members, two of whom are from the Board. These members are appointed by the Chair of the Board, with one of the two being designated as the Committee Chair. The remaining three AOC members are public appointees serving staggered three-year terms to ensure continuity. These public members offer specialized expertise in finance, accounting, and cyber security and provide recommendations on the District's Financial Audit and the Annual Audit Plan; and

**WHEREAS**, they are appointed by the Board following a review and recommendation process conducted by the screening committee. All AOC

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members possess voting rights within the committee. It is a stipulation that all committee members maintain independence from Port management. However, it should be noted that the policy does not encompass mileage reimbursement for public members attending AOC meetings; and

**WHEREAS**, the Port Auditor has revised BPC Policy No. 776, Port Audit Oversight Committee policy, adding Section 5, Mileage Reimbursement, and consistent with the language in Administrative Procedure #128-213, Business Mileage Reimbursement; and

**WHEREAS**, the Board is being asked to adopt a resolution to create/add Section 5 as follows:

5. MILEAGE REIMBURSEMENT

a. Calculating Business Mileage

Public AOC Members may be reimbursed for reasonable travel expenses, including round-trip, business mileage incurred while using their vehicle to attend the quarterly AOC meetings.

b. Reimbursable Amount

The Port shall reimburse the business mileage at a rate consistent with the most current Standard Mileage Rate set forth by the Internal Revenue Service. The Public AOC Member may also be reimbursed for reasonable travel expenses related to public transportation.

c. Requesting Business Mileage Reimbursement

To receive business mileage reimbursement, the Public AOC Member shall complete the Mileage Reimbursement Form provided by the Office of the Port Auditor. Once completed and received by the Office of the Port Auditor, the form will be reviewed and approved by the Port Auditor and processed through the Finance Department, which will issue a reimbursement. If Public AOC Members wish to be reimbursed for incurred public transportation fees, they must provide receipts with the Mileage Reimbursement Form as evidence of incurred transportation fees; and

**WHEREAS**, funds for this expense are budgeted in the Office of the Port Auditor's FY 2025 non-personnel expense budget, and the cost is estimated to be \$1,000 for the fiscal year.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Port Commissioners of the San Diego Unified Port District that Board of Port Commissioners (BPC) Policy No. 776 – Port Audit Oversight Committee adding

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Section 5, Mileage Reimbursement, is hereby amended, a copy of which is on file in the Office of the District Clerk.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy General Counsel

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9<sup>th</sup> day of July 2024, by the following vote: