



Special Organization, Personnel and Technology
Committee

Report on State Audit Response (Audit Period 2004-2021)

Item 2a

April 26, 2022

Background

Audit Period 2004-2021

Audit Timeline

Jun 30, 2021	Joint Legislative Audit Committee Hearing
Jun 30, 2021	New General Manager started
Jul 13, 2021	Initial Contact with State Auditor
Jul 20, 2021	Audit Entrance Conference
Mar 21, 2022	Audit Exit Conference
Mar 28, 2022	Confidential Report released to staff
Mar 29, 2022	Special Board Meeting to Preview Findings/Responses
Apr 4, 2022	Response submitted to State Auditor
Apr 21, 2022	Public Release of State Audit Report

Key Findings

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MWD's failure to address EEO issues has negatively affected its employees

- It has not dedicated sufficient attention or resources to its EEO policy or its EEO office
- Employees can be subject to potentially unsafe workplace circumstances for unnecessarily long periods of time

Key Findings

MWD has resisted implementing an equitable and accountable hiring process

- It gives significant discretion to individual hiring managers, lacks transparency, and cannot demonstrate that hiring decisions are equitable

Key Findings

MWD has not done enough to correct issues with the structure of its ethics office and its aging employee housing

- Its management has interfered with the ethics office's independent functions
- It has not effectively addressed serious issues threatening the habitability of its employee housing or long waits for maintenance requests

Response to State Audit

Response to State Audit

Metropolitan's Response

- Accepted the recommendations and are fully committed to implementing within timeline from the State Audit Report
- Posted the report and progress status on Metropolitan's website

Response to State Audit

Implementation

- Management Briefing
- Audit Response Team
 - Meet bi-weekly
 - Leads responsible for implementing each recommendation
 - Coordinate and monitor to ensure deadlines are met
- Report Progress Regularly
 - Board
 - Website

Recommendations

Ethics

- Revise administrative code
 - Prohibit interested parties from participating in the office's investigation process, except when necessary
 - Establish the best practices highlighted in this report for protecting the independence of the ethics office

EEO

- Develop written procedures
 - Non-EEO staff who receive complaints from employees should handle referrals of EEO complaints to the EEO office, and train staff on those procedures
 - Handling potential threats to impartiality in investigations, which contain explicit conditions in which a party other than the EEO office plays a lead role in an EEO complaint
- Annually share the results of NDP analyses

Safety

- Establish minimum collaboration between safety and managers
- Ensure handling of safety complaints
- Define retaliation and document protection from retaliation

Hiring/Promotion

- Adopt/publish comprehensive formal hiring procedures
 - Process for screening applications
 - Clear instructions for justifying hiring decisions
 - Document retention requirements for human resources staff and hiring managers
 - Reinstate EEO Office's role in the hiring process

Housing

- Improve detail and consistency of procedures for responding to maintenance requests
- Establish procedures for tracking and regularly reporting to the board
- Establish contingency plan for addressing its long-term issues

EEO

- EEO Office
 - Develop written EEO office procedures and train staff on those procedures
 - Annually share the results of its NDP analyses
- Update EEO Policy
 - Define/examples of retaliation
 - Employee's right to file a complaint directly with DFEH or the EEOC
 - Explicit reference to written investigatory procedures. Describe where employees can obtain a copy of those procedures
 - Accurately reflects requirements in state and federal law with regular review of the policy to determine whether changes are needed
 - MWD should review and update its sexual harassment policy as needed, as well as develop an official policy defining and prohibiting abusive conduct

EEO

Implement Improvements

- Create and fill additional positions that are commensurate with the workload of the EEO office
- Assign formal, written responsibilities for specific staff within the office
- Structure the EEO office to operate independently with minimal threats to impartiality
- Update investigation procedures to include time frames that match DFEH best practices
- Report to the board quarterly on how many EEO complaints have been received and investigated including those that surpassed the time frame
- Electronic recordkeeping system and assign a designated individual to log, track, update EEO complaint records
- Formal process for deciding whether and how to issue discipline
- Develop a recordkeeping policy that documents the disciplinary process
- Develop written procedure for identifying and intervening in potential retaliation with EEO investigations are ongoing
- Dedicate a person to follow up with complainants and track the discussions
- Amend the administrative code to require that all settlements that invoke confidentiality or have any financial impact, be reported quarterly to the Legal and Claims Committee
- Develop a written policy that outlines mandatory information required for reporting settlements
- Centralize recordkeeping procedures for all employee settlement agreements

Hiring/Promotion

- Formally train hiring managers and human resources staff on their roles and responsibilities
- Develop formal procedures for analyzing employee demographics and taking appropriate action based on those data.
- MWD should report to its board on the results of the demographic analysis and actions

Reforms Underway

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Policy Updates

- April 26 Update
 - H-07: Equal Employment Opportunity
 - H-13: Sexual Harassment Prohibition
- Other Key Policies Under Review
 - H-04: Violence in the Workplace
 - B-11: Use and Retention of Electronic Mail
 - I-03: Use of Computer Resources

Reforms Underway

Hiring Key Personnel

- EEO Officer hired April 18
- DE&I Officer scheduled to start May 9
- Approved two additional positions to the Ethics Department

Reforms Underway

Accountability

- Management Forums
 - Values
 - Expectations
 - Training
- Management Briefing focused on implementation

Reforms Underway

Required Training

- All Employees and Managers
(Relaunched to be completed by May 31)
 - Sexual Harassment & Prevention
 - Unintentional Still Hurts
- All Managers
 - Managing for Success:
Focused on latest employment laws and best practices for managing employees and challenging situations

Reforms Underway

Housing

- Outreach to District Housing Residents
- Focused outreach is scheduled, in addition to ongoing coordination
 - Individual calls to residents are scheduled
 - Continue meetings at each desert facility

Reforms Underway

Safety

- The Health and Safety Employee (HSE) Manual updated:
 - Establishing a minimum level of regular meetings between safety representatives and management
 - Adding reference to the MWD-wide policy against retaliation
- Began a collaboration with the National Safety Council to identify further improvements to our safety programs and practices

Next Steps

Implementation of Recommendations

- Monitoring progress to ensure deadlines are met
- Regular report to Organization, Personnel and Technology Committee
- Report progress on Metropolitan's website

Transparency and Public Access



<https://www.mwdh2o.com/who-we-are/management/ethics-officer/employee-concerns/>





Report on State Audit Response

Discussion

Those who cannot learn from history
are doomed to repeat it.

George Santayana,
Spanish philosopher, 1863-1952

