

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ADJOURNED AUDIT AND ETHICS COMMITTEE

August 16, 2022

Chair Ramos called the teleconference meeting to order at 8:30 a.m.

Members present: Chair Ramos, Vice Chair McCoy, Directors Ackerman, Blois, Dennstedt, Hawkins, Jung, Kurtz, Record and Smith.

Members absent: None

Other Board Members present: Directors Abdo, Atwater, De Jesus, Dick, Erdman, Faessel, Fellow, Fong-Sakai, Goldberg, Gray, Lefevre Miller, Morris, Ortega, Peterson, Pressman, and Tamaribuchi.

Committee Staff present: Hagekhalil, Salinas, Scully, Shope, Rodriguez, Tonsick, H. Beatty, and Von Haam.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

None

CONSENT CALENDAR ITEMS — ACTION

2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the meeting of the Audit and Ethics Committee held June 28, 2022.

3. CONSENT CALENDAR ITEMS – ACTION

7-8 Subject: Approve proposed ethics-related amendments to the Administrative Code; the General Manager has determined that the proposed action is not subject to CEQA

Presented by: Kelli Shope, Assistant Ethics Officer

Motion: Approve recommended ethics-related amendments to the Administrative Code.

Ms. Shope provided an overview of the ethics-related amendments to the Administrative Code highlighting the following:

- Brief summary of amendments proposed in June
- Updates to proposed Administrative Code amendments since June
- Additional proposed amendments
- Next steps

The following Directors asked questions or provided comments:

1. Smith
2. Ramos
3. Record

After completion of the presentation, Director Smith made a motion, seconded by Director McCoy, to approve the consent calendar consisting of items 2A and 7-8.

The vote was:

Ayes: Directors Ackerman, Blois, Dennstedt, Hawkins, Jung, Kurtz, McCoy, Ramos, Record, and Smith

Noes: None

Abstentions: None

Absent: None

The motion for items 2A and 7-8 passed by a vote of 10 ayes, 0 noes, 0 abstain, and 0 absent.

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

- a. Subject: Discussion on revising Administrative Code section 2416(f)(5), the ad hoc subcommittee process for EEO related investigations of directors and department heads

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas presented on the current process, challenges and solicited feedback.

The following Directors asked questions or provided comments:

1. De Jesus
2. Smith
3. Ramos
4. Goldberg
5. Peterson
6. Ortega

Staff responded to Directors' comments or questions.

- b. Subject: Interim General Auditor's Annual Audit Plan and Governance and Audit Independence

Presented by: John Tonsick, Interim General Auditor

Mr. Tonsick gave a presentation on the Annual Audit Plan and Governance and Audit Independence and highlighted the following areas:

- 2022/23 Objectives
- COSO Framework
- Risk Assessment
- Audits planned and underway
- Audits in progress
- Follow up audits
- Governance
- MWD Internal Audit

The following Directors asked questions or provided comments:

1. Smith
2. Ortega
3. Goldberg
4. Dick
5. Dennstedt

Staff responded to Directors' comments or questions.

- c. Subject: Ethics Officer's Annual Plan 2022-23

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the Ethics Officer's Annual Plan and highlighted the following areas:

- Annual Report FY 2021/22
- Core Functions
- Annual Plan FY 2022/23

The following Director asked questions or provided comments:

1. Peterson

7. MANAGEMENT REPORTS

- a. Subject: Interim General Auditor's report

Presented by: John Tonsick, Interim General Auditor

Mr. Tonsick had nothing to add to his report.

- b. Subject: Ethics Officer's report

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas reported that since June, the Ethics Office has not initiated any new investigations. The Ethics Office currently has one pending investigation, expected to be completed within the next two months. Mr. Salinas reported he will be coming back to report on the request from this committee and to address Director Smith's comments. Mr. Salinas also responded to Director Goldberg's question.

8. FOLLOW-UP ITEMS

Chair Ramos provided an update on the General Auditor recruitment process and hope to conclude before the end of the year. Chair Ramos noted the ongoing ad hoc committee matters continue to move along.

9. FUTURE AGENDA ITEMS

None

10. ADJOURNMENT

Meeting adjourned at 10:18 a.m.

Marsha Ramos
Chair