

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT AND ETHICS COMMITTEE

July 27, 2021

Chair Ramos called the teleconference meeting to order at 12:45 p.m.

Members present: Chair Ramos, Directors Ackerman, Blois, Butkiewicz, Hogan, Jung, Kurtz, Record and Smith.

Members absent: Vice Chair McCoy and Director Hawkins.

Other Board Members present: Chairperson Gray, Directors Abdo, Atwater, Camacho, Cordero, DeJesus, Faessel, Fellow, Goldberg, Lefevre, Morris, Murray, Ortega, Peterson, Tamaribuchi and Williams.

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

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

None

CONSENT CALENDAR OTHER ITEMS — ACTION
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2. CONSENT CALENDAR OTHER ITEMS – ACTION

- A. Approval of the Minutes of the meeting of the Audit and Ethics Committee held June 22, 2021

3. CONSENT CALENDAR ITEMS – ACTION

None

Director Hogan made a motion, seconded by Director Ackerman to approve the consent calendar consisting of item 2A:

The vote was:

Ayes: Directors Ackerman, Blois, Butkiewicz, Hogan, Jung, Kurtz, Ramos, Record and Smith

Noes: None

Abstentions: None

Absent: Directors Hawkins and McCoy

The motion passed by a vote of 9 ayes, 0 noes, 0 abstain, and 2 absent

END OF CONSENT CALENDAR ITEMS

4. OTHER BOARD ITEMS – ACTION

None

5. BOARD INFORMATION ITEMS

None

6. COMMITTEE ITEMS

a. TER Report and Management's Response

Presented by: John Tonsick, Assistant General Auditor

The presentation highlighted the results of the Travel Expense Audit that was issued in May. The overall opinion was less than satisfactory. Mr. Tonsick included his recommendations and answered questions.

The following Directors provided comments or asked questions:

1. Smith
2. Hogan
3. Kurtz

Staff responded to the Directors' questions and comments.

b. General Auditor Business Plan for Fiscal Year 2021/22

Presented by: Gerald Riss, General Auditor

Mr. Riss gave a presentation on the fiscal year 2021/22 Business Plan. Mr. Riss began by summarizing the Department's Board-adopted Mission Statement and Charter. He then provided detailed comments about:

- The audit process, how it works, and how it protects the district.
- The Department's strategic objectives.
- Personnel and operational objectives.
- Board authority.
- Proposed audits for the upcoming year.

The following Directors provided comments or asked questions:

1. Smith
2. Hogan
3. Ortega
4. Ramos

c. Ethics Officer's Business Plan for Fiscal Year 2021/22

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the proposed Business Plan for 2021/2022. The report included highlights of core work in the areas of Advice, Education, Compliance, Policy, Investigations and Metrics. He provided detailed comments regarding the following strategic and operational priorities:

- Ethics Code.
- Education and Outreach.
- Collaboration.
- Board directed priorities.

7. MANAGEMENT REPORTS

a. Subject: Ethics Officer's report

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas reported that the Ethics Office has initiated one new investigation that has been opened since his last update. The Ethics Office now has a total of three pending investigations. The new investigation involves an allegation that an employee conducted outside employment activities during hours they were being compensated by Metropolitan, in violation of the Ethics operating policy. Mr. Salinas reported this investigation will be completed in the next four to six weeks. The second investigation involves a supervisor who allegedly retaliated against a subordinate for reporting workplace misconduct; this investigation was opened in April. The third investigation involves a manager who allegedly misused their authority to advantage one employee during a recruitment process, the

investigation was initiated in June. The second and third investigations are expected to be completed in the next six to eight weeks.

- b. Subject: General Auditor's report

Presented by: Gerald Riss, General Auditor

Mr. Riss stated he has nothing to add to his report.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

Chair Ramos requested a presentation from Audit on an overview of consulting services.

10. ADJOURNMENT

Next meeting will be held on October 26, 2021.

Meeting adjourned at 1:48 p.m.

Marsha Ramos
Chair