

The Metropolitan Water District of Southern California

Agenda

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Committee

M. Ramos, Chair
T. McCoy, Vice Chair
L. Ackerman
S. Blois
B. Dennstedt
P. Hawkins
F. Jung
C. Kurtz
R. Record
T. Smith

Audit and Ethics Committee

Meeting with Board of Directors *

June 28, 2022

9:30 a.m.

**Tuesday, June 28, 2022
Meeting Schedule**

**09:30 am - A&E
10:30 am - OWC
11:30 am - Break
12:00 pm - Exec**

Teleconference meetings will continue until further notice. Live streaming is available for all board and committee meetings on mwdh2o.com ([Click Here](#))

A listen only phone line is also available at 1-877-853-5257; enter meeting ID: 831 5177 2466. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (833) 548-0276 and enter meeting ID: 815 2066 4276.

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

* The Metropolitan Water District's meeting of this Committee is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to this Committee may participate as members of the Board, whether or not a quorum of the Board is present. In order to preserve the function of the committee as advisory to the Board, members of the Board who are not assigned to this Committee will not vote on matters before this Committee.

- 1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction (As required by Gov. Code Section 54954.3(a))**

**** 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 May 24, 2022 [21-1267](#)

Attachments: [06282022 AE 2A Minutes](#)

3. CONSENT CALENDAR ITEMS - ACTION

NONE

**** END OF CONSENT CALENDAR ITEMS ******4. OTHER BOARD ITEMS - ACTION**

NONE

5. BOARD INFORMATION ITEMS

NONE

6. COMMITTEE ITEMS

- a. Discussion on KPMG External Audit Fiscal Year 2021/22 Audit Plan [21-1325](#)

Attachments: [06282022 AE 6a Letter from KPMG](#)

- b. Update on response to State Auditor recommendations [21-1270](#)

Attachments: [06282022 AE 6b Presentation](#)

- c. Discussion of independent oversight programs in public agencies; potential applications at Metropolitan [21-1271](#)

Attachments: [06282022 AE 6c Presentation](#)

7. MANAGEMENT REPORTS

- a. Interim General Auditor's Report [21-1268](#)

- b. Ethics Officer's Report [21-1269](#)

8. FOLLOW-UP ITEMS

NONE

9. FUTURE AGENDA ITEMS**10. ADJOURNMENT**

NOTE: This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

AUDIT AND ETHICS COMMITTEE

May 24, 2022

Chair Ramos called the teleconference meeting to order at 11:00 a.m.

Members present: Chair Ramos, Vice Chair McCoy, Directors Ackerman, Blois, Dennstedt, Hawkins, Jung (entered after rollcall), Kurtz, Record and Smith.

Members absent: None

Other Board Members present: Directors Abdo, Atwater, Camacho, Cordero, De Jesus, Erdman, Faessel, Fellow, Goldberg, Gray, Luna, Miller, Morris, Ortega, Peterson, Pressman, Tamaribuchi and Williams.

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

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

- 1). Ellen Mackey, as a member of the public. Spoke in support of State Audit findings and implementation of ethics-related reforms.
- 2). Alan Shanahan, as a member of the public. Spoke in support of public disclosure of Shaw Law Group investigation reports.
- 3). Katie Wagner, member of the public. Spoke in support of State Audit findings and implementation of ethics-related reforms.

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 February 22, 2022.

Director Jung entered the meeting.

3. CONSENT CALENDAR ITEMS – ACTION

- 7-2 Subject: Approve the job description for the General Auditor and approve the hiring process for the General Auditor; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Presented by: Diane Pitman, Human Resources

Motion: Approve the job description for the General Auditor, and approve the hiring process for the General Auditor

Ms. Pitman gave a presentation on the General Auditor job description and listed the details of the current job duties.

The following Directors asked questions or provided comments:

1. Smith
2. Kurtz
3. Ortega
4. Dennstedt

Director Smith provide modifications to the job description for the General Auditor to: (1) make Certified Public Accountant (CPA) or Certified Internal Auditor (CIA) certification a mandatory qualification in the job description; (2) to add at the end of the third job duty bullet the phrase “while meeting these standards”; and, (3) under required knowledge add “principles and practices of public sector auditing” and “generally accepted government auditing standards.”

Staff responded to Directors’ comments or questions

After completion of the presentation, Director Smith made a motion, seconded by Director Blois to approve the consent calendar consisting of item 2A and 7-2 with modifications made.

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 item 2A and 7-2 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 of the Fuel Management Audit Report and Management's Response

Presented by: Gerald Riss, General Auditor
John Tonsick, Assistant General Auditor
Sergio Escalante, Assistant Group Manager, WSO
Victor Erikson, Interim Section Manager Operations Support, WSO

Ms. Tonsick gave a presentation on the Fuel Management and audit findings highlighted the following areas:

- Fuel Disbursements
- Control Design
- Control Malfunctions
- Circumvented Procedures

- Inadequate Monitoring/Follow-up
- Equipment Malfunctions
- Invoice Review and Approval
- Mis-recorded and Underutilized Assets

Sergio Escalante, introduced Mr. Erikson who presented on the response to the Audit findings. Mr. Erikson highlighted the following areas:

- Audit of Fuel Management
- Fuel System Controls
- Controls and Data
- Fuel Transaction Findings
- Telematics
- Findings Implementations

The following Director asked questions or provided comments:

1. Smith
2. Morris
3. Peterson

b. Subject: Response to State Audit Findings Regarding the Ethics Office

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas gave a presentation on the State Audit findings regarding the Ethics Office and highlighted the following areas:

- Audit Findings Relating to the Ethics Office
- State Auditors Recommendations
- Ethics Officers Response
- Implementation Plan

The following Directors asked questions or provided comments:

1. Smith
2. Goldberg
3. Record
4. Ackerman
5. Cordero
6. Fellow
7. Gray

Staff responded to Directors' comments or questions

7. MANAGEMENT REPORTS

- a. Subject: General Auditor's report

Presented by: Gerald Riss, General Auditor

Mr. Riss thanked the Board members, Executive Management, and staff for the support over the 20 years.

- b. Subject: Ethics Officer's report

Presented by: Abel Salinas, Ethics Officer

Mr. Salinas reported that since February, the Ethics Office has initiated one new investigation. The Ethics Office currently has a total of four pending formal investigations, expected to be completed within next six months.

Mr. Salinas gave an update on the status of ad hoc subcommittees investigating Equal Employment Opportunity (EEO) allegations concerning directors or department heads.

At this time, there are four ad hoc subcommittees established since February 22, 2022, each assigned to a single case with support from an outside law firm. The Ethics Officer recommends this ad hoc subcommittee process continue for the existing cases to achieve prompt resolution of them, and that the Executive Committee consider revising the process for future cases.

The following Directors asked questions or provided comments:

1. Ortega
2. Smith
3. Kurtz

Staff responded to Directors' comments or questions.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

- 1) Code of conduct or ethics for Board members.

- 2) Review of ad hoc subcommittee process for EEO investigations of directors and department heads.
- 3) Review alternative organization structure models for independent internal oversight and review, including consideration of independence between audit and ethics functions.

10. ADJOURNMENT

Meeting adjourned at 12:53 pm

Marsha Ramos
Chair



KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Telephone +1 213 972 4000
Fax +1 213 622 1217
kpmg.com

June 28, 2022

Audit and Ethics Committee
The Metropolitan Water District of Southern California
Los Angeles, California

Ladies and Gentlemen:

We have been engaged to audit the financial statements of Metropolitan Water District of Southern California, the Six Agency Committee and the Colorado River Authority (collectively referred to as the Organizations) as of June 30, 2022 and for the year then ended. Our audit is performed under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we issue a report on our consideration of the Organizations internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, in addition to the audits of the financial statements. Our professional standards also require that we provide you with the following information related to the planned conduct of our audit.

Our Planned Scope and Timing of the Audit

We have held several meetings with management to discuss the significant components of the 2022 audit. These discussions were used to identify the significant audit areas and to assist in determining the significant risks related to fraud and error. We identified the risk of management override of controls as the only significant risk for the entity. It is presumed that this risk is present in all entities. We did not identify any significant risks related to error; however, we consider the following to be key audit areas.

- Noncompliance with laws and regulations
- Noncompliance with debt covenants
- Estimates related to net pension and other post-employment benefits (OPEB) obligations
- Valuation of Investments
- Revenue Recognition
- Capital Assets including the State Water Project
- Payroll and other expenses
- Bonds Payable
- Financial Reporting

We will start the interim financial statement fieldwork July 11, 2022 which will last approximately 2 weeks. We will start final financial statement fieldwork on August 15, 2022, which will last approximately 9 weeks with the ultimate goal of issuing the reports and presenting to the audit and ethics committee in October 2022.



The Audit and Ethics Committee
Metropolitan Water District of Southern California
June 28, 2022
Page 2 of 4

Materiality in context of the audit

Our professional standards require that we exercise professional judgment when we consider materiality and its relationship with audit risk when determining the nature, timing, and extent of our audit procedures, and when evaluating the effect of misstatements. Our considerations of materiality include the following factors:

- Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.
- Judgments about materiality involve both qualitative and quantitative considerations
- Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.
- Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.
- Judgments about the size of misstatements that will be considered material provide a basis for
 - Determining the nature and extent of risk assessment procedures;
 - Identifying and assessing the risks of material misstatement; and
 - Determining the nature, timing, and extent of further audit procedures.

Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. In order for KPMG to fulfill its professional responsibility to maintain and monitor independence, management, those charged with governance, and KPMG each play an important role.

The firm maintains a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firm's independence in relation to (i) new affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA independence rules) and (ii) new officers or directors with the ability to affect decision-making, beneficial owners with significant influence, and persons in key positions with respect to the preparation or oversight of the financial statements

Independence rules prohibit (i) certain employment relationships involving directors, officers, or others in an accounting or financial reporting oversight role and KPMG and KPMG covered persons and (ii) the



The Audit and Ethics Committee
Metropolitan Water District of Southern California
June 28, 2022
Page 3 of 4

organizations or its directors, officers, from having certain types of business relationships with KPMG or KPMG professionals.

Significant Findings or Issues Discussed with Management

We generally discuss a variety of matters, including auditing standards and regulations with you and management each year prior to our retention by you as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Involvement of other

We will be assisted on the audit by the Metropolitan Water District of Southern California's Internal Audit Department.

Responsibilities

As outlined in the Engagement Letter approved by the General Auditor, management of the Organizations are responsible for:

- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Also as outlined in the Engagement Letter approved by the General Auditor, KPMG is responsible for the:

- Communicating clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtaining from those charged with governance information relevant to the audit.
- Providing those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promoting effective two-way communication between the auditor and those charged with governance.
- Communicating effectively with management and third parties.
- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists and we are not permitted by management to continue the original audit engagement, we should:
 - Withdraw from the audit engagement when possible under applicable law or regulation,
 - Communicate the circumstances to those charged with governance, and
 - Determine whether any obligation, either legal contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.



The Audit and Ethics Committee
Metropolitan Water District of Southern California
June 28, 2022
Page 4 of 4

- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.

This letter to the Audit and Ethics Committee is intended solely for the information and use of the Audit and Ethics Committee and management and is not intended to be and should not be used by anyone other than these specified parties. Please contact me if you have any questions or comments on the information provided. I can be reached directly at (310) 592-3940 or bmwiese@kpmg.com

Very truly yours,

A handwritten signature in cursive script that reads "Brianne Wiese".

Brianne Wiese
Lead Audit Managing Director



Audit & Ethics Committee

Update on Response to Audit Recommendations

Item 6b

June 28, 2022

Response to Audit Recommendations

Today's Presentation

- Methodology/review of audit recommendations
- Progress on proposed Admin Code amendments/examples of draft language
- Next steps
- Opportunity for feedback

Amendments to State Law

- Establish Ethics Officer as sole authority for interpreting ethics rules.
- Grant Ethics Officer authority to contract for independent legal counsel.
- Authorize unrestricted access to records without waiver of privileges.
- Explicitly prohibit director and employee interference in investigations.

Audit Recommendations

Amend MWD Administrative Code

“Prohibit interested parties from participating in the office’s investigation process, except when necessary to provide information or otherwise respond to allegations.”

Audit Recommendations

Amend MWD Administrative Code

“Establish the best practices highlighted in this report for protecting the independence of the ethics office, such as ensuring that the ethics officer has sole authority to interpret MWD’s ethics rules and that the ethics office can obtain advice from outside legal counsel.”

Audit Recommendation

Ethics Retaliation Policy

- Enhance policies to formally define retaliation.

Update on Revisions

Administrative Code Amendments

Policies and procedures

- Unrestricted access to records
- Non-Interference in investigations
- Independence
- Retaliation

Access to Records and Non-Interference in Investigations

§ 7129. ~~Failure to~~ Cooperation with Ethics Officer ~~Investigation~~s.

(a) Metropolitan officials, lobbyists, lobbying firms, and contractors shall cooperate with the Ethics Office during an investigation. Conduct including, but not limited to, intentionally destroying relevant documents, refusing to be interviewed, refusing to provide documents or information, or obstructing an investigation shall be deemed a failure to cooperate.

(b) Metropolitan officials, lobbyists, lobbying firms, and contractors shall not provide false or misleading information to the Ethics Officer during an investigation.

(c) Metropolitan officials shall not participate in any Ethics Office investigation process except when necessary to provide information or otherwise respond to allegations.

(d) Metropolitan officials shall not interfere in any way with an Ethics Office investigation.

(e) Metropolitan officials shall provide to the Ethics Officer any documents or other information requested in connection with an Ethics Office complaint or investigation.

Access to Records

§7413. Access to Metropolitan Records.

(a) ~~Subject to applicable law, t~~The Ethics Officer shall have access to all Metropolitan documents, files, records, ~~or and~~ other ~~materials information~~ deemed relevant by the Ethics Officer to an ~~ethics complaint or~~ investigation, ~~including information protected by the attorney client privilege. Providing privileged information to the Ethics Officer shall not constitute a waiver of the privilege.~~

~~(b) If there is a disagreement regarding access to documents, files, records, or other materials, including those that may be protected by the attorney-client privilege or attorney work product doctrine, the Ethics Officer and General Counsel shall discuss the matter with the affected Metropolitan department, and shall make a reasonable good faith effort to resolve the dispute.~~

~~(c) If the disagreement is not resolved pursuant to subdivision (b) of this section, the~~Ethics Officer determines that waiver of the privilege is necessary, the Ethics Officer and General Counsel shall ~~jointly~~ present the matter to ~~an ad hoc committee consisting of the Chairs of the Audit and Ethics Committee, the Legal and Claims Committee and the Board who shall resolve any disagreement that does not involve the attorney-client privilege. If the dispute involves the attorney-client privilege and is not satisfactorily resolved by the ad hoc committee, the matter will be considered by~~ the Board, as a majority of the Board is required to waive Metropolitan's attorney-client privilege.

Independence

Article 2

PROCEDURES FOR INVESTIGATIONS

§7416. Ethics Officer Report.

(b) If the Ethics Officer determines by a preponderance of the evidence that the subject of the complaint has committed an ethics violation, the Ethics Officer shall provide the subject of the complaint, ~~and the General Counsel,~~ the written report specified in subdivision (a) of this section, along with any relevant evidence considered by the Ethics Officer. The subject shall have 14 calendar days from receipt of the report to file any response with the Ethics Officer. The

~~(d) The Ethics Officer shall notify the General Counsel of the determination that there has been no violation at the same time the subject is notified of a no violation finding.~~

Proposed Amendment

Ethics Retaliation Policy

Utilize same definition and examples of retaliation from new EEO policy

- Definition/examples in EEO retaliation policy are consistent with Ethics
- Consistent definitions/examples beneficial to workforce
- Language prepared by outside law firm with consultation from bargaining units

Proposed Amendment

Retaliation

- Retaliation occurs when a Covered Individual is subjected to an adverse employment action because they engaged in protected activity, such as reporting suspected violations and/or cooperating in investigations or proceedings arising out of an alleged violation.

Adverse Employment Action

- Conduct or an action that materially affects the terms and conditions of employment or would deter an employee from engaging in “Protected Activity”

Retaliation Examples

Examples of retaliation include, but are not limited to:

- Demotion; suspension; disciplinary action; harassing another employee; not talking to an employee; singling out; spreading rumors.

Ethics Retaliation Policy

§ 7128. ~~Whistleblower and Witness Protection~~Retaliation Prohibition.

Metropolitan officials shall not take or threaten to take an action as a reprisal for, or to prevent, discourage, or interfere with a person from:

(a) Reporting in good faith to a Metropolitan Management Employee, the Ethics Office, or other appropriate department or government agency information (other than information about a disagreement with a policy decision within the lawful discretion of a Metropolitan official) the person reasonably believes indicates:

(1) A work-related violation of any law or Metropolitan policy, other than an equal opportunity-related law or policy,

(2) A gross waste or abuse of Metropolitan resources, ~~or~~

(3) A workplace safety concern, or

(4) A ~~gross~~ public health or safety danger.

(b) Cooperating with investigations of matters reported pursuant to subdivision (a).

Update on Revisions

Administrative Code Amendments

Ethics Officer Authority/Independence

- Authority/funding for independent counsel
- Sole authority to interpret ethics rules
- Other concerns noted in report (e.g. unilateral collaboration requirement)

Authority/funding for independent counsel

§6471. Authority to Obtain Professional Services.

———(a) The Ethics Officer is authorized to contract for independent legal counsel as he or she deems necessary in fulfilling duties and responsibilities of the Ethics Office. The Ethics Officer may contract with one or more attorneys or law firms depending on the areas of expertise needed. The amount to be expended in fees, costs and expenses under any one contract in any one-year period shall not exceed \$75,000 unless Board approval is obtained.

(b) The Ethics Officer is authorized to employ the services of other professional or technical consultants for advice and assistance in performing the duties assigned as may be required or as deemed necessary, provided that the amount to be expended in fees, costs and expenses under any one contract in any one year shall not exceed \$50,000.

Sole authority to interpret ethics rules/Independence

§6470. Powers and Duties.

The powers and duties of the Ethics Officer shall be as follows:

~~(d) The Ethics Officer shall have sole authority to interpret Metropolitan's ethics rules. The Ethics Officer shall maintain a collaborative relationship with the Board, General Manager, General Counsel, and General Auditor.~~

§6472. Reports to Audit and Ethics Committee.

~~(c) The Ethics Officer shall annually confirm to the Board the organizational independence of the Ethics Office and the Ethics Officer's compliance with it collaborative relationship with the Board, General Manager, General Counsel, and General Auditor.~~

Independence

GENERAL MANAGER

Sec.

6410. Powers and Duties

6411. Principal Assistants

6412. Delegation of Executive and Administrative Powers

6413. Insurance Program

6414. Use of District Automobile

[6415. - Repealed]

6416. Annual Report to Executive Committee

§ 6410. Powers and Duties.

The General Manager shall be the chief executive of the District and shall exercise all executive, administrative, and ministerial powers not specifically reserved to the Board, General Counsel, ~~or~~ General Auditor, or Ethics Officer by law, this Code or by order of the Board, or by law to any other officer.

Next Steps/Feedback

- Finalize Draft Revisions to Administrative Code
- Present to A&E Committee – August
- Board Approval – September
- Questions/Comments



Audit & Ethics Committee



Discussion of independent oversight programs in public agencies; potential applications at Metropolitan

Item 6c

June 28, 2022

Public
agencies
with
oversight
programs

- Los Angeles Department of Water and Power
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Metropolitan Water Reclamation District of Greater Chicago
- Federal Inspectors General

Public
agencies
with
oversight
programs

Los Angeles Department of Water and Power

Office of Inspector General

- Ethics Office
- Audit
- Corporate Performance
- Corporate Protection & Risk Analysis
- Office of Special Investigations

Public
agencies
with
oversight
programs

Los Angeles County Metropolitan Transportation Authority

Office of Inspector General

- Investigations
- Audit

Ethics Office

- Advice
- Compliance

Public
agencies
with
oversight
programs

Los Angeles Unified School District

Office of Inspector General

- Investigations
- Audit

Public
agencies
with
oversight
programs

Metropolitan Water Reclamation District of Greater Chicago

Office of the Independent Inspector
General

- Investigations

Public
agencies
with
oversight
programs

Federal Inspectors General

- Investigations
- Audit
- Evaluations

Opportunity

Ethics Office could review unaddressed complaints and concerns it receives of “unethical” and other conduct.

Requirements to initiate ethics investigations

- ✓ Ethics rule explicitly prohibiting the conduct
- ✓ Specific alleged incident
- ✓ Individual subject to the rule

Complaints and concerns

Examples

- Integrity/breach of fiduciary duties
- Arbitrary personnel practices
- Weak policies
- Mismanagement
- Contracting processes

Concept

The Ethics Office perform reviews of broader issues impacting Metropolitan:

- ✓ Practices and processes
- ✓ Systemic concerns

Benefits of reviews

- ✓ Organizational accountability
- ✓ Objective assessments
- ✓ Timely reports
- ✓ Inform new policies and standards
- ✓ Transparency

