



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

January 25, 1994

To: Board of Directors (Executive Committee--Action)
From: Auditor
Subject: Revision to Administrative Code Section 2561

Report

At a meeting today, the Special Audit Committee discussed the subject of performance appraisals for department heads, particularly the Auditor. This subject had previously been discussed by the Committee at its last meeting on November 23, 1993. At that time, it was noted that the Executive Committee assumed the annual responsibility for department head evaluations when the Special Committee on Department Head Compensation was dissolved in early 1993.

The Special Audit Committee felt in November, and affirmed that belief today, that it should have formal input into the performance appraisal process for the Auditor due to its oversight responsibility regarding the work of the Auditor and his department. Accordingly, the committee again unanimously recommended that a process be established so that its input could be included in performance evaluations of the Auditor by the Executive Committee. A proposed amendment to Section 2561 of the Administrative Code which would accomplish this objective is presented at Attachment A to this letter and Attachment B reflects Section 2561 after this change.

Board Committee Assignment

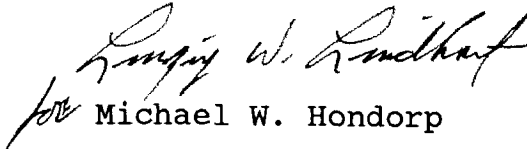
This letter is referred to the Executive Committee for action because of its responsibility to evaluate the District's department heads and to recommend their salaries and other compensation pursuant to Section 2417(1)(5) of the Administrative Code.

January 25, 1994

Recommendation

It is recommended that the Board of Directors approve the following recommendation of the Special Audit Committee:

That Administrative Code Section 2561 be amended, as outlined in Attachment A to this letter, to establish a process to provide Special Audit Committee input to the Executive Committee concerning the Auditor's performance evaluations.


for Michael W. Hondorp

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Attachments

Letter of Auditor, dated January 25, 1994

ATTACHMENT A

PROPOSED REVISION TO THE MWD ADMINISTRATIVE CODE

Add the new subparagraph (a) (5) to Section 2561 as shown below:

§ 2561. Duties and Functions.

(a) The Special Audit Committee shall study, advise, and make recommendations with regard to:

(1) All reports of the Auditor and external auditors, including the audited financial statements of the District.

(2) The Audit Department's annual work plan and annual budget.

(3) The selection of candidates for consideration by the Executive Committee to serve as the Auditor and the selection of the Assistant Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.

(4) Requests of other committees of the Board for audits and special reviews.

(5) The Auditor's performance for purposes of evaluation by the Executive Committee pursuant to Section 2417(1)(5).

(b) Except as otherwise provided in this section, the Special Audit Committee shall submit its recommendations to such committees as it deems to have an interest in the subject of the recommendations and, where it deems it to be appropriate, to the Board; and may make recommendations to the General Manager.

Letter of Auditor, dated January 25, 1994

ATTACHMENT B

§ 2561. Duties and Functions.

(a) The Special Audit Committee shall study, advise, and make recommendations with regard to:

(1) All reports of the Auditor and external auditors, including the audited financial statements of the District.

(2) The Audit Department's annual work plan and annual budget.

(3) The selection of candidates for consideration by the Executive Committee to serve as the Auditor and the selection of the Assistant Auditor, as well as the external auditors or special audit consultants, and the determination of the scope of their assignments.

(4) Requests of other committees of the Board for audits and special reviews.

(5) The Auditor's performance for purposes of evaluation by the Executive Committee pursuant to Section 2417(1)(5).

(b) Except as otherwise provided in this section, the Special Audit Committee shall submit its recommendations to such committees as it deems to have an interest in the subject of the recommendations and, where it deems it to be appropriate, to the Board; and may make recommendations to the General Manager.