

- Board of Directors
Special Audit Committee
Executive Committee

May 17, 2000 Board Meeting

8-7

Subject

Ratify Appointment of Assistant General Auditor.

Description

This letter seeks the Board's ratification of the General Auditor's appointment of Mr. Thomas E. DeBacker, CPA, as Assistant General Auditor, effective May 28, 2000. The Assistant General Auditor, a Metropolitan executive-officer position, acts on behalf of the General Auditor in his absence pursuant to Administrative Code Section 6451. In addition to providing backup to the General Auditor, the Assistant General Auditor conducts or directs specified audit assignments, assists in the supervision of department staff, and performs other duties as directed by the General Auditor. A copy of the current job description for Assistant General Auditor is included as **Attachment 1** to this letter.

On March 20, 2000, former Assistant General Auditor Linzey W. Lindhout informed the General Auditor of his intention to resign and retire from Metropolitan service, effective April 30, 2000. A search for a qualified replacement was commenced shortly thereafter. That process resulted in seventeen candidates submitting applications for the position, including two internal candidates. After screening all applications, five finalist candidates (two internal, three external) were identified for personal interviews and further consideration of their qualifications.

On May 2, 2000, a panel comprised of the Chair and former Chair of the Special Audit Committee, the General Auditor, the Assistant Chief Financial Officer and the KPMG partner-in-charge of Metropolitan's financial audit work interviewed the selected finalists. Upon completion of that process, Mr. DeBacker was deemed to be the best candidate for the position of Assistant General Auditor and he agreed to accept the appointment when offered the position. Mr. DeBacker has been a Metropolitan employee since August 1995, and is presently serving as Assistant Controller. Accordingly, he is extremely familiar with Metropolitan's financial and information systems and he has had an excellent working relationship with both the Audit Department and Metropolitan's external auditors over the years. A copy of his resume outlining his qualifications and experience is included as **Attachment 2** to this letter.

Policy

Existing policy contained in Administrative Code Sections 2561(a)(3) and 2561(b) specify that the Special Audit Committee shall study, advise, and make recommendations to the Executive Committee with regard to the selection of the Assistant General Auditor.

Board Options/Fiscal Impacts

Option #1

Ratify the General Auditor's appointment of the Assistant General Auditor.

Fiscal Impact: The Assistant General Auditor position, an unrepresented management position at Salary Grade 65, is a budgeted authorized position in the Audit Department's table of organization. The current annual base salary for the position ranges from \$79,560 to \$106,829.

Option #2

Reject the General Auditor's appointment of the Assistant General Auditor.

Fiscal Impact: Unknown. Would be dependent on alternative actions after rejection of Assistant General Auditor appointment.

Staff Recommendation

Option #1.

General Auditor

Date

Attachment 1 – Assistant General Auditor Job Description

Attachment 2 – Thomas Eugene DeBacker's Resume

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CLASSIFICATION DESCRIPTION

Classification Title:	<u>ASSISTANT GENERAL AUDITOR</u>		
Bargaining Unit:	<u>01-Unrepresented</u>		
Class Code: <u>985</u>	Grade: <u>65</u>	EEOC Category: <u>1</u>	Overtime Exempt: <u>Y</u>
Physical Class:	<u>2 - Light</u>		
Typical Career Path:	<u>General Auditor / Assistant General Auditor / Principal Auditor</u> <u>Senior Deputy Auditor / Deputy Auditor III / Deputy Auditor II</u> <u>Deputy Auditor I / /</u>		
Division(s):	<u>Audit</u>		
Reports to:	<u>General Auditor</u>		

JOB SUMMARY

Assistant department head and District officer position which manages staff and assists in the administration of the Audit Department. Assists the General Auditor in establishing and executing audit business plans. Assesses adequacy of internal accounting and administrative control systems to ensure that Metropolitan assets are properly accounted for and safeguarded to maintain the reliability of financial statements and to provide for compliance with bond covenants, applicable laws and regulations, and orders of the Board of Directors. Directs audit staff activities to ensure that audit objectives are met and that appropriate audit coverage is achieved in the review of Metropolitan’s organizational, operational, and financial activities.

ESSENTIAL FUNCTIONS--*Essential and other important responsibilities and duties may include, but are not limited to, the following:*

1. Assist in the planning, organizing, and management of the department’s activities including management of staff and oversight of consultants to ensure that results are accomplished efficiently and in accordance with applicable auditing standards.
2. Manage staff through subordinate supervisors, including selecting employees, assigning work, providing training and development, evaluating performance, and building a motivated effective team to ensure that organizational goals for diversity, career development, productivity, performance management, and employee development are met.
3. Assist in directing operational, financial information systems, and contract or compliance audits of Metropolitan’s activities and accounting systems to ensure appropriate audit coverage.
4. Review comprehensive audit plans to ensure that audit programs and procedures identify and address areas of risk and minimize Metropolitan’s potential exposure.

**Metropolitan Water District of Southern California
Assistant General Auditor**

5. Develop, implement, and monitor high level standards of independent professional judgment during the audit process to ensure that Metropolitan's assets are properly safeguarded.
6. Provide input to management on business matters, and act in an advisory capacity to Metropolitan management and the Board of Directors on audit-related activities to ensure that organizational goals and objectives are met.
7. Supervise Audit Department administrative duties related to: budget development and administration, approval of Board letters and correspondence, and the preparation of annual business plans to ensure timely and cost-effective accomplishment of related activities.
8. Direct the preparation of other planning documents to ensure that departmental activities support the Audit Department's mission, goals, and objectives.
9. Serve as Acting General Auditor in his absence.
10. Perform other related duties as required.

MINIMUM QUALIFICATIONS

Education and Experience

- Bachelor's degree from an accredited college or university majoring in accounting, business administration, computer science, or a related field and 8 years of progressively responsible experience in professional accounting theory and auditing techniques, 4 years of which must have been at the supervisory/managerial level.

OR

- Master's degree from an accredited college or university, majority in accounting, business administration, computer science, or a related field and 6 years of progressively responsible managerial experience in professional accounting theory and auditing techniques.

LICENSES/CERTIFICATION REQUIRED

- California Certified Public Accountant (CPA)
- Valid state driver's license

**Metropolitan Water District of Southern California
Assistant General Auditor**

KNOWLEDGE, SKILLS AND ABILITIES

Knowledge of:

- Management/supervisory concepts and techniques
- Budgetary concepts and procedures
- Standard policies and procedures related to accounting and auditing
- Accounting theory and auditing techniques
- Current accounting pronouncements
- Computers and automated accounting and financial systems
- Bond covenants, laws, and regulations relevant to auditing, accounting, and financial systems

Skill and ability to:

- Manage a diverse workforce
- Manage complex projects or assignments
- Use complex auditing software
- Prepare and deliver clear, concise, and well-organized presentations to a wide variety of audiences including management, the Board of Directors, and external and member agencies
- Prepare comprehensive administrative and technical documents and reports
- Effectively interface with external auditors, regulatory and member agencies, professional auditing organizations, and Metropolitan staff
- Travel to various and remote sites within Metropolitan's service area

PERFORMANCE CATEGORIES

Performance expectations would typically be tailored to the job and incumbent. The general categories for this job could include but are not limited to:

- Budget
- Risk and audit results analysis
- Productivity measures for employees
- Qualitative measures for maintaining compliance with applicable auditing standards
- Problem-solving
- Customer satisfaction
- Mutually beneficial working relationships with regulatory and member agencies, and professional auditing organizations
- Employee development to meet Metropolitan near- and mid-term needs
- Selection and retention of workforce to meet Metropolitan's diversity objectives

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Assistant General Auditor**

SUPERVISORY RESPONSIBILITY/ACCOUNTABILITY

Supervisory scope

- Small work group of approximately 10 professional employees

Project management examples:

- Supervise very complex audit assignments or work of a political or sensitive nature

Thomas Eugene DeBacker, CPA

(213) 217-6296 (Work)

PROFESSIONAL EXPERIENCE**Metropolitan Water District of Southern California****Los Angeles, California****August 1995 to Present**

- Assistant Controller
 - ◇ Supervise staff of thirty including accountants and clerical positions
 - ◇ Responsibilities include managing the daily accounting activities to ensure accurate and timely reporting of financial information; managing the Federal grants accounting and reporting functions; recommending and implementing modifications to accounting policies and procedures to ensure compliance with generally accepted accounting principles; managing the preparation of the departments' business plan, annual operating budget and other special projects as required including upgrades of financial systems; and serving as key liaison with outside auditors in preparing annual audited financial statements

Southern California Gas Company**Los Angeles, California****April 1981 to August 1995**

- Manager of Analytical Services
 - ◇ Supervised staff of fifteen professionals (including PhD's, MBA's & CPA's) with \$2 million operating budget responsibility
 - ◇ Projects included preparation of operations plans that provided guidelines to optimize use of company assets (natural gas pipelines and storage fields); preparation of natural gas procurement plans; analyses of new business opportunities; analyses of competitive threats as a result of industry deregulation; and testifying before state, federal and local agencies
 - ◇ February, 1994 to July 1995
- Manager of Interstate Transportation
 - ◇ Supervised staff of four management and one clerical
 - ◇ Responsibilities included representing the company before the Federal Energy Regulatory Commission on cost allocation issues relating to interstate natural gas pipelines; and price negotiations with pipeline companies
 - ◇ October, 1992 to February, 1994

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- *Regulatory Project Manager*
 - ◇ *Responsibilities included case management for proceedings before the California Public Utilities Commission (cases included general rate increases, cost of capital, financing applications, and reasonableness reviews)*
 - ◇ *July 1989 to October 1992*
- *General Accounting Supervisor*
 - ◇ *Supervised staff of twelve -- eight management and four clerical*
 - ◇ *Responsibilities included managing the daily general ledger activities; preparing monthly and annual financial statements with account analyses and reconciliation's*
 - ◇ *April 1981 to July 1989*

*Jensen, Goodrich, White & Co., CPA's
Long Beach, California
March 1979 to April 1981*

- *Audit Manager*
 - ◇ *Responsibilities included planning and supervising all certified audits; preparing corporate, partnership, individual tax returns; reviewing and analyzing accounting systems and recommending improvements to internal controls*

*Linford, Jensen, Bradford & Co., CPA's
Long Beach, California
January 1978 to March 1979*

- *Staff Auditor*
 - ◇ *Responsibilities included staff work on certified audit engagements; preparing corporate, partnership, individual tax returns; and preparing unaudited financial statements*

*Southern California Gas Company
Los Angeles, California
May 1975 to January 1978*

- *Internal Auditor (January 1976 to January 1978)*
 - ◇ *Responsibilities included departmental audits as well as contractual compliance audits of joint ventures*
- *Accountant (May 1975 to January 1976)*
 - ◇ *Responsibilities included departmental audits as well as contractual compliance audits of joint ventures*

*United States Air Force
Honorable Discharge
October 1967 to June 1971*

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EDUCATION

California Polytechnic State University
San Luis Obispo, California

Bachelor of Science, March 1975

Business Administration with Accounting Concentration

Graduated with Honors

ORGANIZATIONS

American Institute of Certified Public Accountants

California Society of Certified Public Accountants