

# Audit and Ethics Committee Ethics Office Business Plan Year End Report July 2009 - June 2010



# Metropolitan Water District of Southern California



## Statement of Values

In our pursuit of "Excellence" as responsible stewards, we are committed to the following values:

### INTEGRITY

We will conduct ourselves in an:

- Honest
- Transparent
- Fair
- Considerate
- and Trustworthy

matter so as to demonstrate professionalism and ethical business practices.

### OPEN COMMUNICATION

We will communicate in an open, timely, candid and shared manner, recognizing the value of diverse points of view. We will strive for continual improvement of all communication processes to inform, empower, build trust, create shared expectations and enable personal growth.

### TEAMWORK

We value teamwork as a core philosophy in all our activities.

Teamwork requires:

- Mutual respect and trust
- Participation of all individuals
- Sharing knowledge and information
- Support for one another

We will be successful as a Team when we are successful as individuals and we will be successful as individuals when we succeed as a Team.

We will continue to pursue excellence by self-assessment and continuous improvement.

*[Handwritten signatures and names of board members]*

# The Metropolitan Water District of Southern California

## Statement of Values

In our pursuit of "Excellence" as responsible stewards, we are committed to the following values:

### Integrity

We will conduct ourselves in an honest, fair, considerate, and trustworthy manner as to demonstrate professionalism and ethical business practices.

### Diversity

We value the differences that are derived from diverse backgrounds, experiences and cultures of the communities we serve, and we commit to actively seek and integrate that diversity into all levels of our workforce to ensure that our activities are based on creative and responsive viewpoints.

### Stewardship

We will be responsible for our actions and are accountable to the public and each other for providing service and value by demonstrating stewardship of:

- The public's health and safety
- The public's funds
- Our natural environment
- Our workforce resources
- Our region's water resources

### Leadership

We value leaders and leadership skills. We encourage employees to be role models who inspire and motivate others. To foster an environment that develops skilled and satisfied leaders we need to:

- Be positive role models
- Walk the talk
- Encourage and reward leadership
- Support innovation/remove barriers

### Open Communication

We will communicate in an open, timely, candid and shared manner, recognizing the value of diverse points of view. We will strive for continual improvement of all communication processes to inform, empower, build trust, create shared experiences and enable personal growth.

### Teamwork

We value teamwork as a core philosophy in all our activities. Teamwork requires:

- Mutual respect and trust
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We will be successful as a Team when we are successful as individuals and we will be successful as individuals when we succeed as a Team.



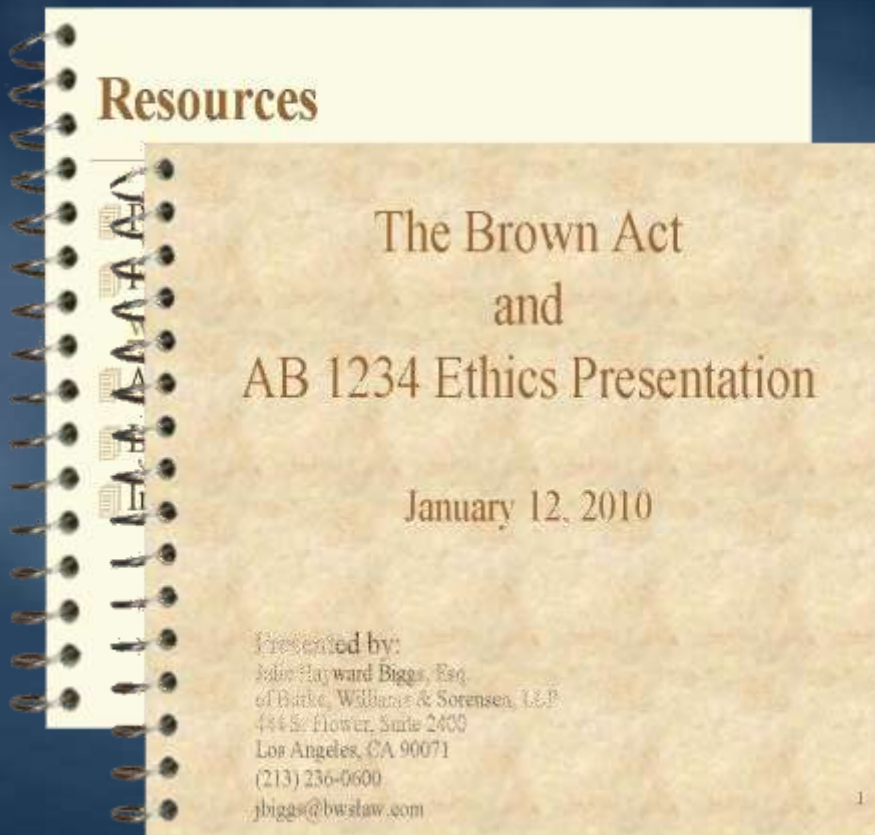
We will continue to pursue excellence by self-assessment and continuous improvement.

# Compliance and Ethics

- Compliance: The external requirement that individuals follow ethics provision of state law, MWD Administrative Code and operating policy
- Ethics: The internal motivation to embrace the spirit behind the rules, to do one's job in a way that demonstrates Metropolitan's core values: integrity, leadership, open communication, stewardship, diversity and teamwork

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- Goal #1 - Address questions and concerns, meet mandates, recommend policy adjustments, and file required reports
  - Goal #2 - Provide ethics education in a variety of venues
  - Goal #3 - Promote ethics program visibility throughout Metropolitan
  - Goal #4 - Be a resource for member agencies
  - Goal #5 - Encourage staff development with the goal of optimum service for Metropolitan
  - Goal #6 - Assess program and develop future plans

# State Mandates/Agency Expectations *Highlights*



Training for Directors

# State Mandates/Agency Expectations Highlights

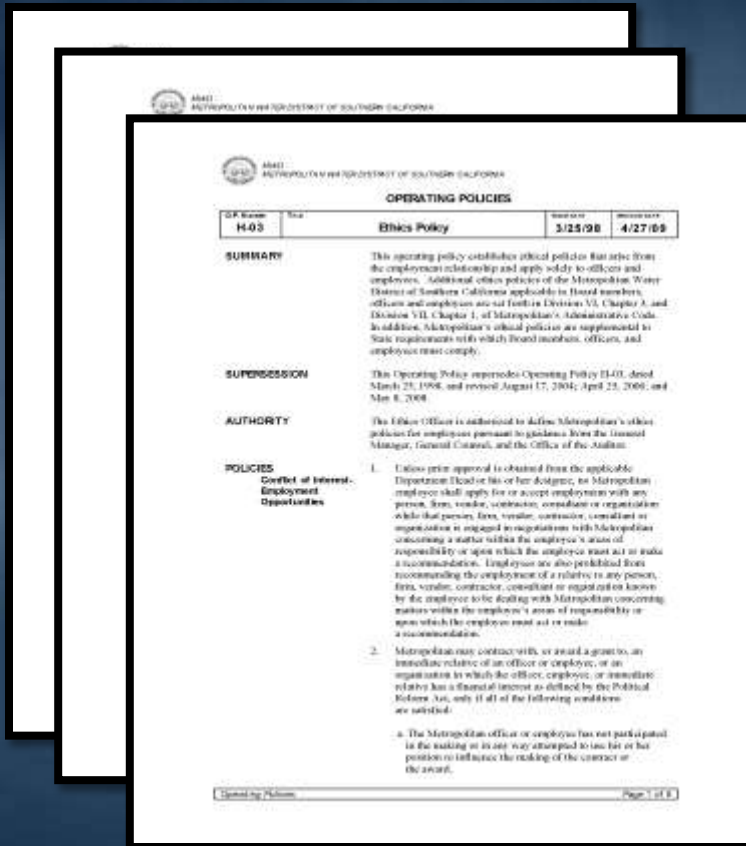
The image displays three overlapping screenshots of a training course titled "SEXUAL HARASSMENT PREVENTION for THE METROPOLITAN WATER DISTRICT BOARD OF DIRECTORS".

- Top-left screenshot:** Shows the course title and "SECTION 8" with a five-star rating. The section is titled "Remedies" and includes a list of learning objectives: "Upon completion of this section, you should be able to: • Describe the potential liability and consequences of sexual harassment. • Describe the factors that can contribute to sexual harassment. • Understand that a person may be held liable for sexual harassment." A navigation bar at the bottom contains "MENU", "RESOURCES", and "NOTES".
- Top-right screenshot:** Shows a "Welcome, cont." slide. The text reads: "Each section of this course covers important information and includes real-life scenarios and practice exercises designed to promote understanding of illegal harassment and other discriminatory practices. The sections are as follows:"
- Bottom-center screenshot:** Shows a "Welcome" slide. The text reads: "Welcome to 'Sexual Harassment Prevention for The Metropolitan Water District of Southern California Board of Directors.' You are taking this course because Metropolitan is committed to creating a work-environment free of any unlawful workplace harassment. The Executive Committee voted in December 2008 to mandate training in Sexual Harassment Prevention for all current and future Board members. As a member of Metropolitan's Board of Directors, you are responsible for acting in compliance with Administrative Code Section 7111, Nondiscrimination and Harassment, as well as the law. This course explains the prohibitions against discrimination and harassment and provides examples that relate to your work as a Board member." A disclaimer at the bottom states: "This course contains information of general interest to the Board of Directors. It is not meant to provide legal opinion and is not a substitute for the advice of counsel." A copyright notice "© 2010 Symix v10.1.2" is visible in the bottom right corner.

## Sexual Harassment and Discrimination Training

# State Mandates/Agency Expectations

## Highlights



## Policy Review

# Concerns

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## Intake Committee for Director Concerns

A & E Chair  
Board Secretary  
1 member of A & E Committee



## Informal Review and Response

## Intake Committee for Employee Concerns

General Manager  
General Auditor  
General Counsel  
Human Resources Director  
Ethics Officer



# Formal Complaints and Appeals



Inquiry & Review Committees



Director Concerns

Employee Concerns

A & E Chair (non voting)  
A & E Committee Members  
( 3 members who did not serve on  
concern's Intake Committee)  
Ethics Officer and General  
Counsel (advising)

A & E Chair (non voting)  
General Manager (or designee)  
General Counsel (or designee)  
General Auditor (or designee)  
Ethics Officer

Executive Committee

Department Head

Report Back to Ethics Office

# Ethics Education?

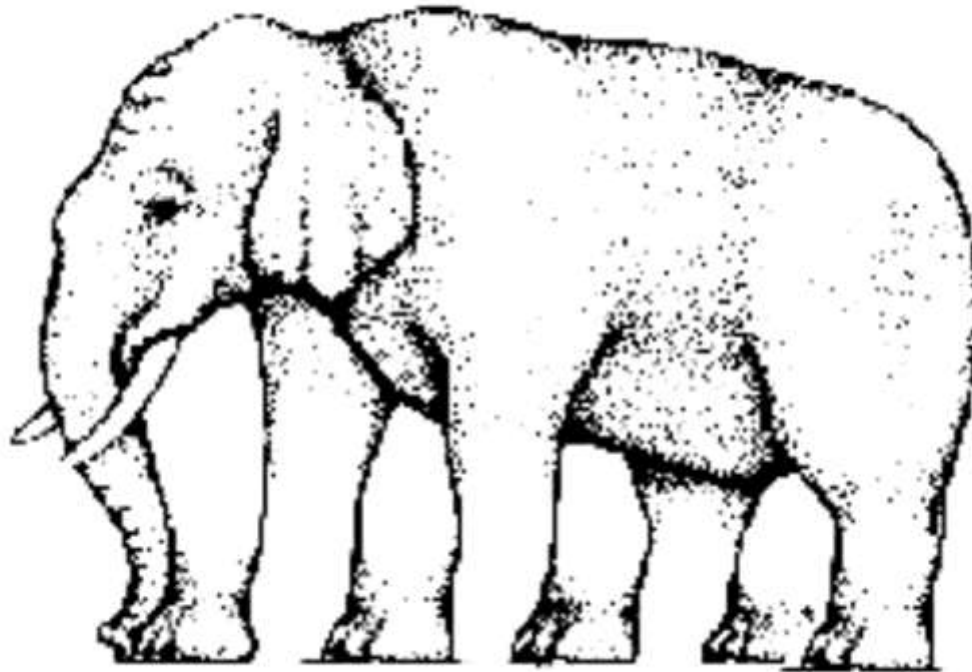
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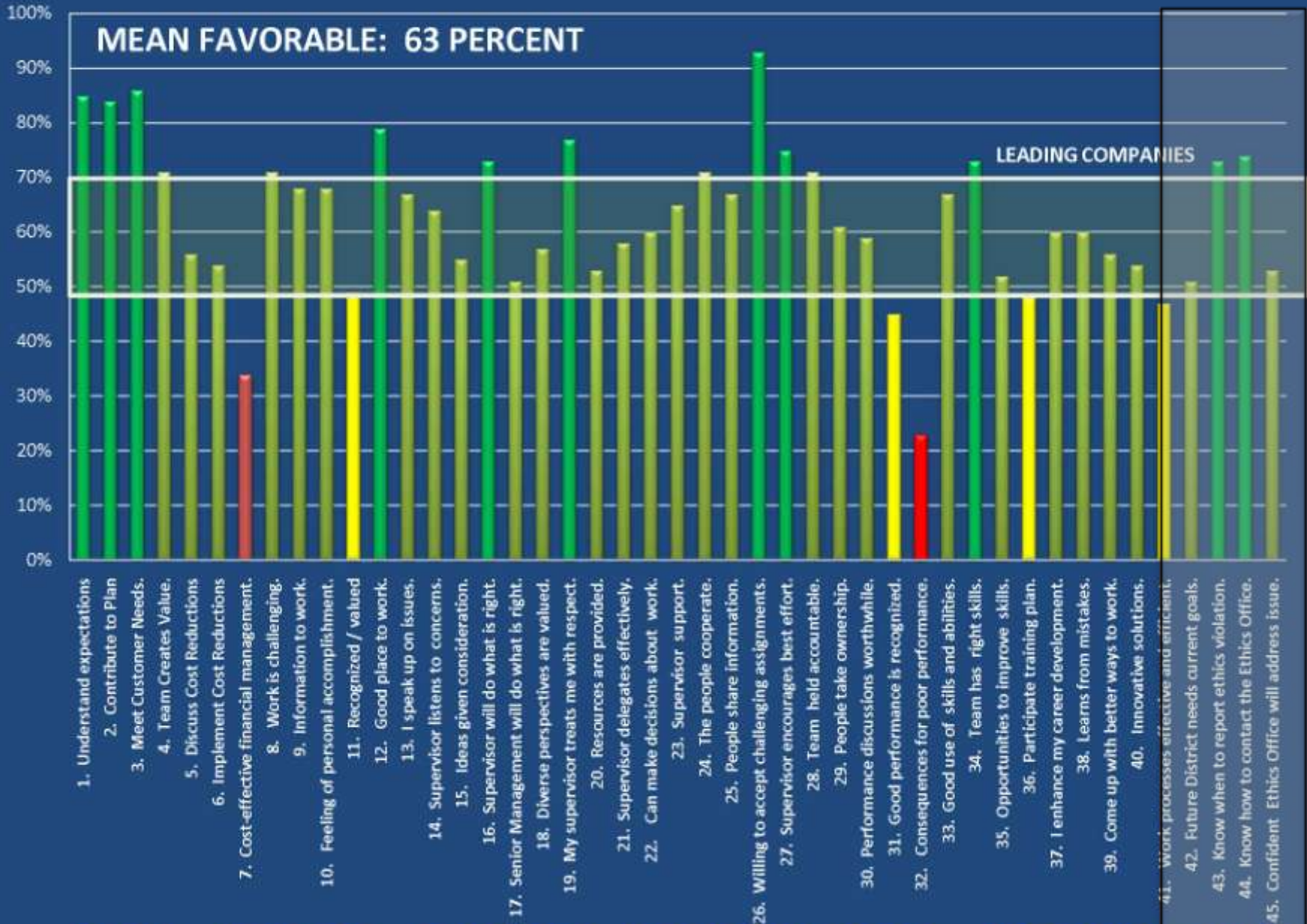
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# METROPOLITAN VOICES 2009 - PERCENT FAVORABLE



**ALIGN**

**ENGAGE**

**EMPOWER**

**PERFORM**

**SKILLS**

**IMPROVE**

**ETHICS**

# Voices Survey

■ Percent Unfavorable

■ Percent To Some Extent

■ Percent Favorable

43. I know when to report a violation of the District's ethics policy.



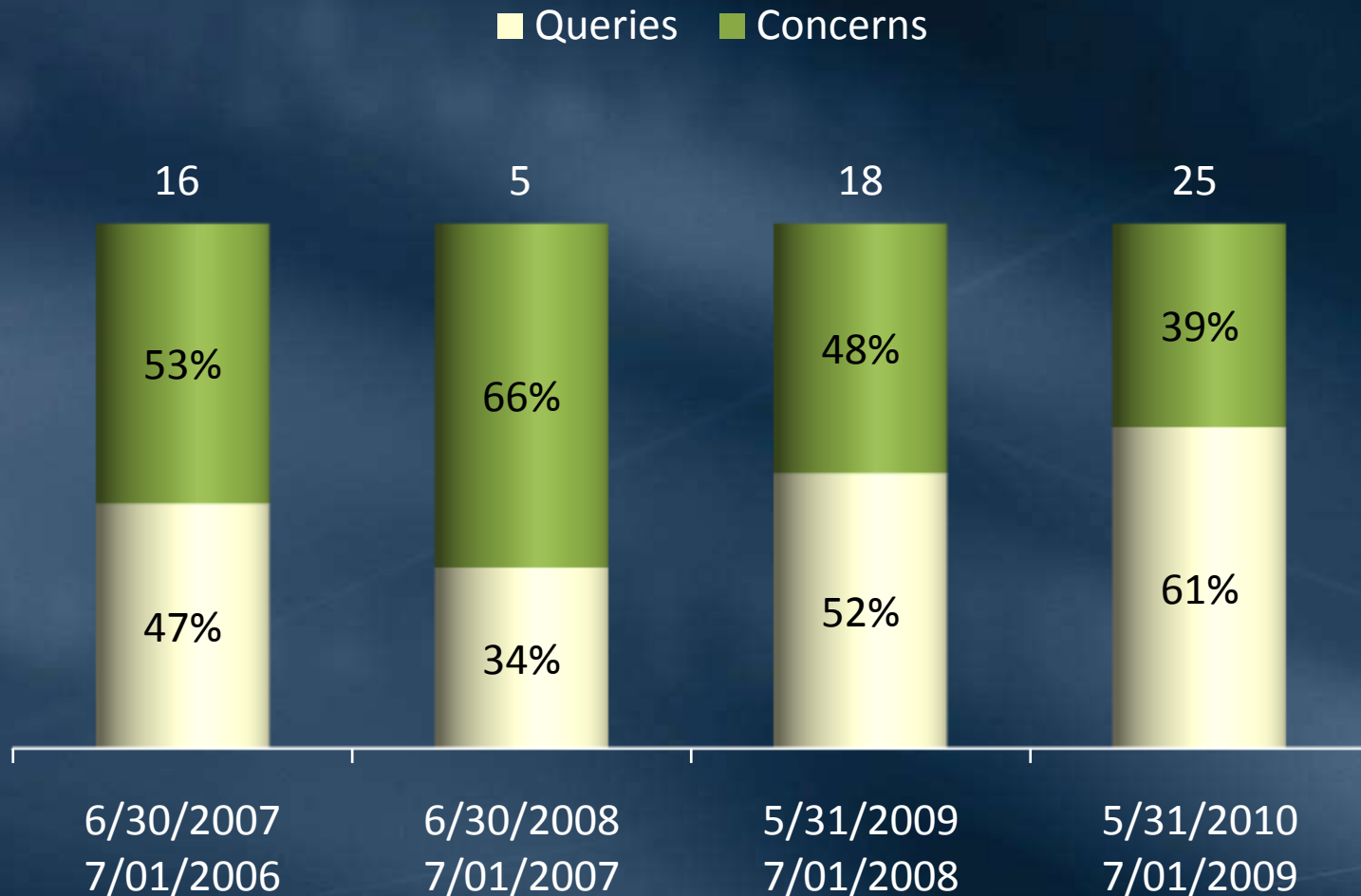
44. I know how to contact the Ethics office to ask for advise or express a concern.



45. If I bring an ethical issue forward, I am confident that the Ethics Office will address it.



# Concerns/Queries July 2006 - May 2010



# Ethics Office Tracking and Logging

- Category of Caller
  - Employee
  - Vendor or Contractor
  - Director
  - Member Agency
  - Member of the Public
  - Anonymous

# Tracking and Logging cont.

- Reporting
  - Email
  - Hotline
  - In Person
  - Phone
  - Concern or Question
  - Date
  - Category

# Ethics Issues by Category FY 2009-2010





## National Business Ethics Study

Conflicts of Interest (putting own interests ahead of the organization) (23%)

Abusive Behavior (21%)

Lying to Employees (20%)

Misreporting Hours Worked (17%)

Internet Abuse (16%)

## Metropolitan Top 5 Issues

Policy Issues (24%)

Gifts (12%)

Misuse of Funds (12%)

Conflicts of Interest/Commitment (12%)

Outside Employment (9%)

## National Government Ethics Study

Lying to Employees, Customers, Vendors or the Public (28%)

Conflicts of Interest (putting own interests ahead of the organization) (27%)

Abusive or Intimidating Behavior (25%)

Misreporting Hours Worked (17%) -- Same percentage as the private sector

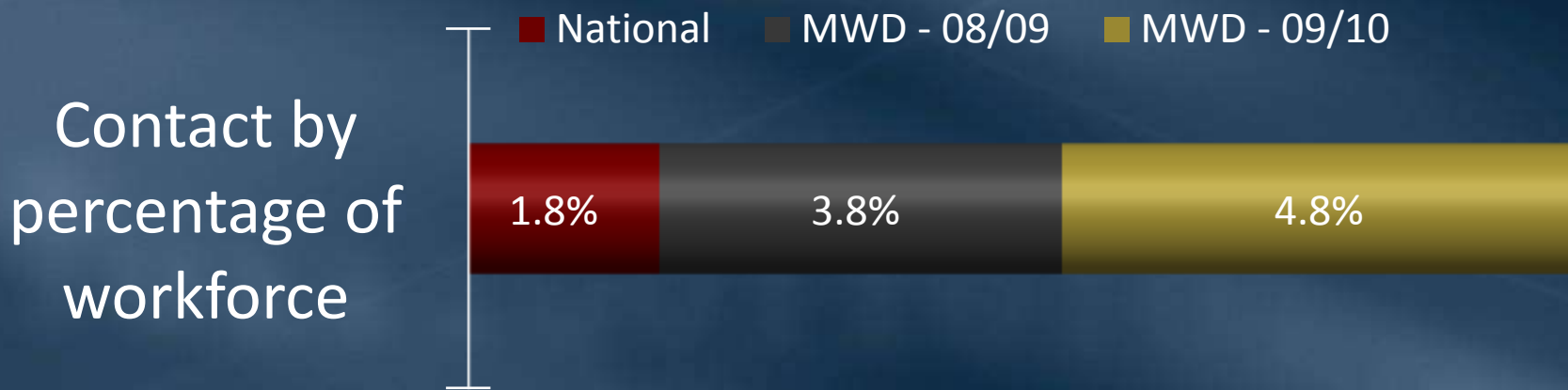
Discrimination (15%)

# Best practices

- Clear written ethics expectations including examples and differentiation between ethics and compliance
- High level oversight and administration; regular communication and cooperation with top management and Board of Directors
- Effective reporting, enforcement and resolution procedures

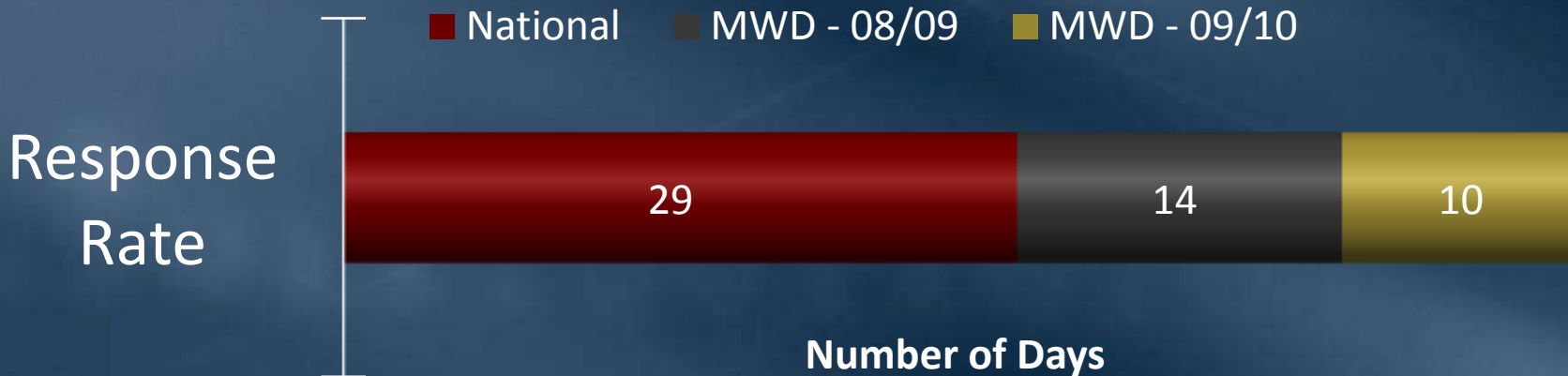
# Benchmarks

How many employees contact the Ethics Office compared to national benchmark?



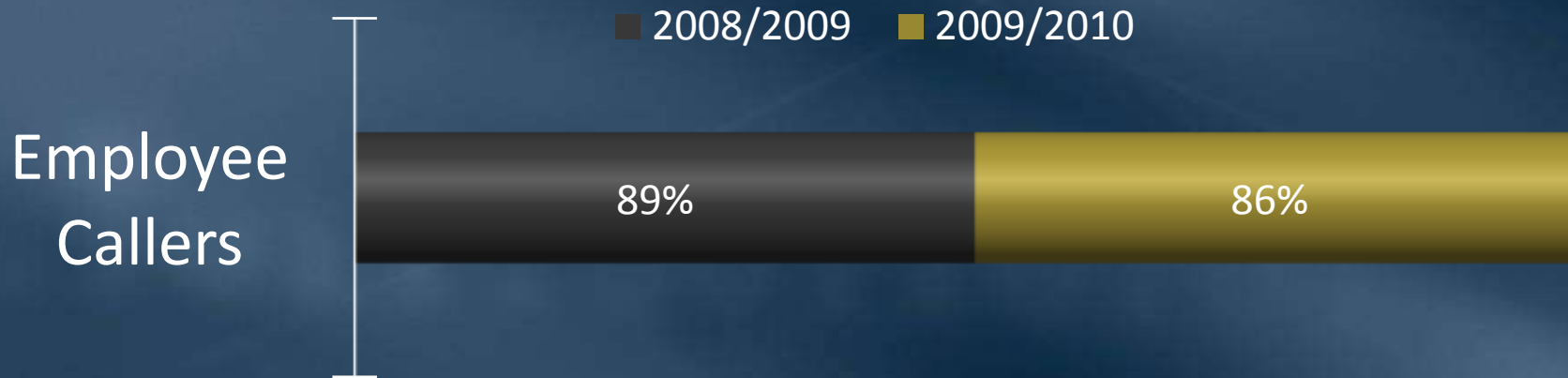
# Benchmarks

Time required to answer, address and close issues



# Benchmarks

## Total Query/Concern by Demographic



# Our Goal:

- Exceed industry benchmarks and promote Metropolitan core values



# Highlights for 2010-2011

- Employee focus groups - direct employee feedback regarding Ethics Office initiatives and effectiveness
- Tailored, on demand training for employees and managers
- Re-establish Ethics Employee Outreach Committee
- Work with HR to find ways to appreciate employees who exhibit core values

