

Metropolitan's Ethics Office



Audit and Ethics Committee

October 25, 2011

Core Ethics Office Functions

- ◆ Develop and enforce ethics policies and educate directors and employees
- ◆ Provide a resource for directors and employees before questionable action
- ◆ Investigate confidential and anonymous reports of misconduct
- ◆ Collaborate with BOD and management to maintain an ethical culture

Core Values

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.

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

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.

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.

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

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.

Integrity

Leadership

Stewardship

Open

Communication

Diversity

Teamwork

The Independent Ethics Office

Ethics Office Scope

- broader than legal & regulatory compliance

Ethics Office Investigations

- reports to department heads without conflict of interest

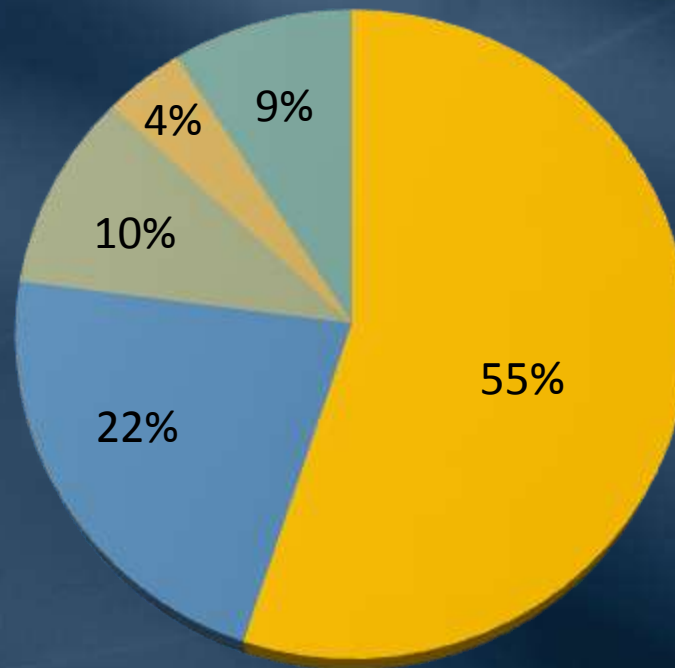
Ethics Office Jurisdiction

- investigates matters relating to BOD

Society of Corporate Compliance and Ethics Survey - April 2010

Ethics Officer Reporting Structure

■ Board ■ CEO ■ GC ■ CFO ■ Other



Current Ethics Office Organization Meets State Mandates

SB 60 Required:

- ✓ Establishment and operation of Ethics Office
- ✓ Ethics Office independence/reporting
- ✓ Creation of rules, regulations and policies
- ✓ Structure of penalties for violations

Concerns By and About Directors

Intake Committee for Director Concerns

Audit and Ethics Committee Chair

Board Secretary

Audit and Ethics Committee Members (1)

General Counsel and Ethics Officer (advisory)

Inquiry and Review

Audit and Ethics Committee Chair (ex officio)

Audit and Ethics Committee Members (3)

Executive Committee

Concerns By and About Employees

Intake Committee for Employee Concerns

General Manager or designee
General Counsel or designee
General Auditor or designee
Human Resources Director
Ethics Officer (Chair)

Inquiry and Review

Reports to Department Head

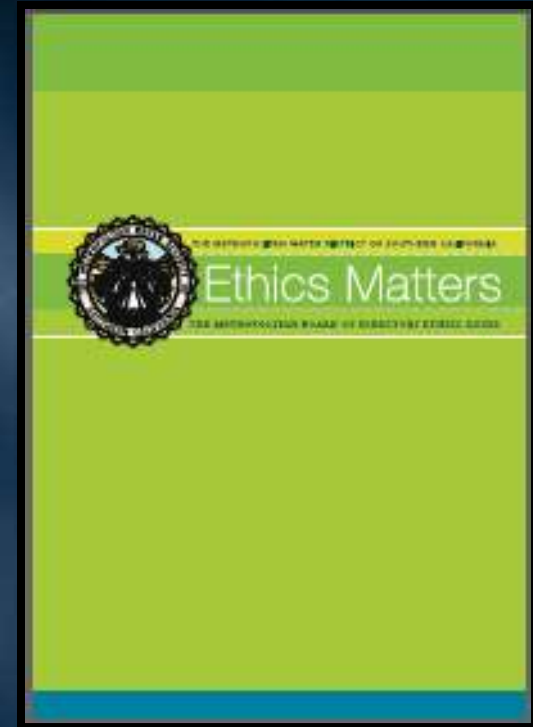
Director Support

Ethics Manual

AB 1234 Training

Issues Opinions

Informal Consultation



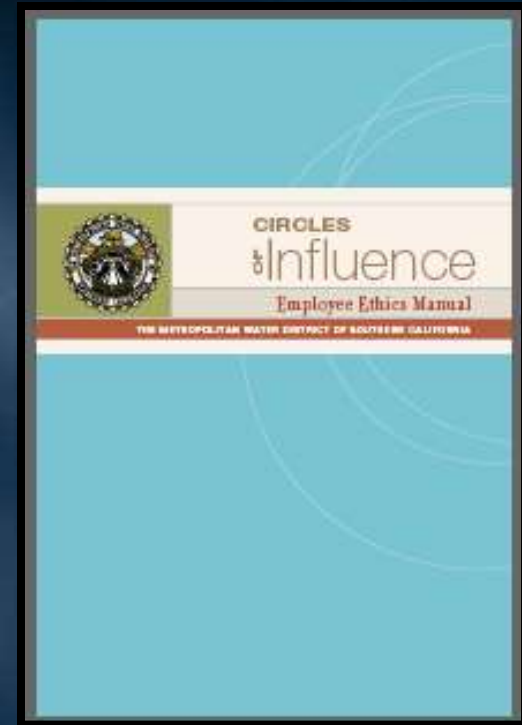
Management & Employee Support

Ethics Manual

In-Person and Web Education

Policy Review and Revision

Informal Consultation



Compares Favorably With Peer Ethics Offices



Matters Per EO Employee



Lowest Budget of Peers

Summary / Questions

