

3. COMMITTEE ITEMS

- a. General Auditor's report of monthly activities

Presented by: General Auditor Gerald C. Riss

General Auditor Riss reported that for November 2016, the Audit Department issued three audit reports. The audit of Employee and Director Expense Reimbursement Reports was issued with no negative findings. The audit of the Colorado River User Association Financials Report was issued with no negative findings. Management has addressed all concerns noted in the audit reports. The third report will be discussed in the next agenda item.

- b. Subject: Discussion of Turf Removal Program Auditor's Report

Presented by: General Auditor Gerald C. Riss

General Auditor Riss discussed the Regional Turf Removal Audit Report. He discussed the audit scope, total turf applications processed, the audit sample selection criteria, and the extent of tests performed. Mr. Riss then discussed the audit results and noted the need for improvement in the mix between preventive and detective controls. Finally, Mr. Riss stated that the report was issued with a less than satisfactory opinion.

Water Resource Management Group Manager Deven Upadhyay then discussed management's response to the audit. He noted that staff generally concurs with the findings and then discussed actions taken to address these issues. He discussed the fact that WRM has made changes to the on-going administration of the remaining turf removal applications and will review administrative practices of other conservation programs. Directors then conducted a detailed discussion of the audit findings and the management response.

The presentation was followed by comments and questions from directors.

- c. Subject: Ethics Officer's quarterly update

Presented by: Ethics Officer Deena R. Ghaly

Ethics Officer Ghaly reported that for this quarter of 2016, the Ethics Department conducted AB 1234 Ethics Workshop Training for directors and officers, also participated in the Fair Political Practices Commission's (FPPC) review of the Political Reform Act, and completed a summary report and full finalized report of the Chief Financial Officer's conflict of interest matter.

The Ethics Officer stated regarding the Chief Financial Officer's conflict of interest matter, there are points to make substantively and procedurally. A summary report was completed because it was not known to what extent the committee would discuss the report. Directors Hogan and Lewinger formally requested, in accordance with the MWD Act, the release of the full finalized report to the board and posted for public viewing with redactions. The request for release is to ensure the 6 page summary report is an accurate representation of the full finalized report of 60 or 70 pages.

The General Counsel was consulted and advised the Ethics Officer to refer the full finalized report and summary report to the supervisor of the Chief Financial Officer, the General Manager, for any personnel action to be taken. The General Counsel stated SB 60 requires the release of the conclusions. Director Hogan requested the Ethics Officer get an independent legal opinion and report back to the board.

The presentation was followed by comments and questions from directors.

4. FUTURE AGENDA ITEMS

None

Meeting adjourned at 9:40 a.m.

Donald Dear

Chair