SUMMARY STATEMENT

ITEM NO. DRPA-12-007  SUBJECT: Creation of Inspector General Position within Delaware River Port Authority and Port Authority Transit Corporation

COMMITTEE: Audit

COMMITTEE MEETING DATE: January 11, 2012

BOARD ACTION DATE: January 18, 2012

PROPOSAL: That the Board: (1) accept the recommendation of the Audit Committee to create the position of Inspector General for DRPA and PATCO, (2) select a candidate to serve in this position, and (3) eliminate the position of Director, Internal Audit.

PURPOSE: The Inspector General is an independent and objective officer which will report directly to the Audit Committee and the Chief Executive Officer. The Inspector General is appointed by the Board of Commissioners upon recommendation of the Audit Committee, and can only be removed from office by Board action.

In addition to assuming the audit responsibilities of Director, Internal Audit, the Inspector General will be responsible for directing and conducting activities designed to detect and deter fraud, waste, abuse, corruption, mismanagement, and any illegal activities involving the Authority. The Inspector General will supervise the Authority’s Whistleblower Hotline and recommend or take affirmative corrective actions, as necessary and appropriate. The Inspector General will also assume responsibility for the execution and coordination of internal and external audits required by the Interstate Compact, Board Resolutions, Bond Indentures, and other governing documents. The Inspector General will provide regular reports to the Audit Committee regarding activities related to the Office of the Inspector General, and periodically meet with the Board of Commissioners to provide status on significant Inspector General and audit goals and objectives.

BACKGROUND: Beginning in August 2010, to further enhance its commitment to transparency, the DRPA Board adopted and implemented a long list of reforms. In support of the reform effort, the DRPA Board authorized the Audit Committee to oversee the creation and staffing
of a new position of Inspector General.

The position was publicly advertised for the period September 23, 2011 through October 6, 2011. The position was originally posted on DRPA’s website and on Monster.com. In an effort to attract a broader pool of qualified applicants, DRPA expanded its outreach to include advertisement in print media (Al Dia, The Philadelphia Tribune, The Courier Post, The Philadelphia Inquirer, Legal Intelligencer and Delaware Weekly). The position was also posted on numerous job boards (Philly.com; CareerBuilder.com; Governing.com; and Lawjobs.com). We expanded the deadline to submit applications from October 6, 2012 until the close of business on October 14, 2011. A copy of the job description is attached.

We received 30 applications. After a careful review of the applicants, eight (8) qualified candidates were interviewed by the Audit Committee. After those interviews, the Audit Committee agreed on one candidate.

The Audit Committee recommends that the Board approves the following actions: (1) create the position of Inspector General for DRPA and PATCO; (2) select a candidate to serve in this position; and (3) eliminate the position of Director, Internal Audit.

SUMMARY:  

| Amount: | Source of Funds: Operating Fund |
| Capital Project #: N/A | Operating Budget: Yes |
| Master Plan Status: N/A | Other Fund Sources: N/A |
| Duration of Contract: N/A | Other Parties Involved: N/A |
RESOLUTION

RESOLVED: That the Board authorizes (1) the creation of the position of Inspector General for DRPA and PATCO; (2) the selection of a candidate to serve in this position; and (3) the elimination of the position of Director, Internal Audit; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount:
Source of Funds: Operating Fund
Capital Project #: N/A
Operating Budget: Yes
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
Delaware River Port Authority  
Job Description/Specifications  

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<th>INSPECTOR GENERAL</th>
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<td>Chairman Audit Committee &amp; Chief Executive Officer</td>
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**Position Purpose**
The IG is an independent and objective position which directs, conducts and supervises a broad comprehensive program of internal audits, provides objective and professional evaluations of operations, programs, and policies, and conducts investigations related to Authority activities; promotes economy, efficiency and effectiveness and detects and prevents fraud and abuse of Authority activities. The IG will report deficiencies in activities as well as the necessity for and progress of correction actions to the Board as well as management.

**Qualifications**
To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the duties, responsibilities, knowledge, skill, and/or ability required. The Authority will adhere to all applicable laws and regulations in assessing an employee's ability to carry out or otherwise meet the job requirements set forth herein in a satisfactory manner.

**Essential Duties and Responsibilities**
1. Plans, directs and conducts IG activities. This includes all activities designed to detect and deter fraud, waste, abuse, corruption mismanagement and all other illegal activities involving the Authority. Activities of the IG office will primarily involve audits, investigations, inspections and evaluations.
2. Responsible for the overall management and functioning of the IG office, which would include providing guidance and direction necessary to achieve the goals of the IG office, establishing policies and procedures, and providing oversight for its technical and administrative functions.
3. Develops and executes a comprehensive audit program for the evaluation of the management controls provided over all Authority activities, and recommends and initiates corrective action, where necessary.
4. Recommends improvement of management controls designed to safeguard company resources, promote company growth, and ensure compliance with government laws and regulations, Authority By Laws, policies, procedures and work rules.
5. Supervises and reviews IG staff, ensures personnel are properly trained and credentialed to accomplish IG goals and objectives, and evaluates effectiveness of IG support and office management.
6. Reviews and analyzes methods, procedures, practices, processes and systems used to accomplish IG activities and functions.

7. Provides regular reports to the Audit Committee of the Board of Commissioners and external stakeholders regarding IG activities, and periodically meets with the Board of Commissioners to provide status on significant IG and audit goals and objectives.

**Essential Duties and Responsibilities (cont.)**

8. Works with and notifies stakeholders, as required, about identified organizational issues.

9. Examines the effectiveness of all levels of management in their control of company resources and their compliance with established policies and procedures.

10. Reviews procedures and records for their adequacy to accomplish intended objectives, and appraises policies and plans relating to activities and functions reviewed.

11. Authorizes the publication of audit and activity reports to the Audit Committee, Chief Executive Officer and management on the results of audit reviews and activities.

12. Conducts special examinations or participates on committees or task forces at the request of management or the Board of Commissioners.

13. Establishes and coordinates Whistleblower Hotline and takes affirmative corrective actions.

14. Coordinates the Bi-Annual Management Audit required by Board Resolution.

15. Assists in maintaining a safe and secure work environment by participating in required training, recognizing and reporting hazards and suspicious activity, and using all required personal protective equipment.

16. Performs other related duties as required and assigned.

**Skills/Knowledge/Abilities**

1. Should display strong leadership abilities with an emphasis in conducting and managing complex investigations involving allegations of fraud, theft, deception, waste, abuse and conspiracy.

2. Experience in accounting, auditing, business or public administration.

3. Demonstrated ability to work with executive-level stakeholders.

4. Record demonstrating integrity, objectivity, independence, judgment and confidentiality in all professional engagements.

5. Skills in measuring and evaluating the efficiency and effectiveness of program performance.

6. Familiarity with the organization (or similar), its programs, activities, functions and jurisdiction.

7. Expertise in conducting investigations, including evidence gathering and documentation.

8. Knowledge of the audit process for programs and finances.


**Supervisory Responsibilities**
Information Technology Auditor
Auditor

Education and/or Experience
- A Bachelor’s degree in Business Administration, Accounting, or Finance or an advanced degree in business, accounting, or law with at least 10 years of business experience and a minimum five consecutive years management/supervisory experience.
- Must be familiar with Government Auditing Standards, Single Audit Act for State and Local Governments, Generally Accepted Auditing Standards, and Standard for the Professional Practice of Internal Auditing.
- Must be a Certified Internal Auditor or Certified Public Accountant or Certified Fraud Examiner or have comparable professional certification/license.

Education and/or Experience (cont.)
- Knowledge of audit data analysis/extraction software is preferred.
- To perform this job successfully, an individual should have knowledge of spreadsheet software and word processing software.

Physical Requirements
The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is required to sit (85%). The employee is required to stand and walk (10%) and lift, climb, bend (5%). The employee must occasionally lift, hold, and carry objects up to 25 pounds. Have normal day and night time vision, corrected or uncorrected. Have normal hearing, corrected or uncorrected. Must be able to perform all position functions. Must be able to physically operate all job related equipment for the position functions. The employee must maintain a neat and clean appearance.

Working Conditions
The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

1. The employee must be organized, work well under pressure, and be able to prioritize assignments appropriately.
2. The employee must communicate well with the public, and remain poised under pressure.
3. The employee must understand the importance of discretion and adhering to deadlines.

Reviewed and Approved By:

Prepared By: Tamika E. Espino