ITEM NO.: DRPA-12-076  SUBJECT: Modification of Inspector General Job Description within Delaware River Port Authority and Port Authority Transit Corporation

COMMITTEE: Unfinished Business

COMMITTEE MEETING DATE: August 13, 2012

BOARD ACTION DATE: September 19, 2012

PROPOSAL: That the Board: (1) accept the recommendation of the Finance Committee to modify the Job Description for the position of Inspector General for DRPA and PATCO; (2) address the reporting issues as discussed by the Audit Committee; and (3) refer the salary adjustment to the Audit Committee for further consideration.

PURPOSE: The Inspector General is appointed by the Board of Commissioners upon recommendation of the Audit Committee, is an excepted employee and can only be removed from office by Board action.

At time of hire, the primary job duties established for the Inspector General were comprised of the previous auditing responsibilities of the Director, Internal Audit. Understanding the core function of the Inspector General, directing and conducting activities designed to detect and deter fraud, waste, abuse, corruption, mismanagement, and any illegal activities involving the Authority, it is the intention of the Board to modify the job duties of the Inspector General consistent with his current responsibilities at the Authority. These additional responsibilities that are being handled by the Inspector General include supervision of the Authority’s Whistleblower Hotline and recommendations for corrective Actions; execution and coordination of internal and external audits required by the Interstate Compact, Board Resolutions, Bond Indentures, and other governing documents; significant involvement in the implementation and certification of compliance by the Authority with Board Resolutions and Reforms; and reporting obligations 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 activities, audit results and policy issues.

The Inspector General will be responsible to report directly to the Chair, Vice Chair and the Audit Committee. For administrative purposes only, the Inspector General will report to the CEO. It is the
understanding and agreement of all parties that the Inspector General will keep the Audit Committee, Chair, Vice Chair, CEO, senior management, program managers, and the Board fully and currently informed of appropriate aspects of OIG operations and findings. Also, through periodic briefings and reports, the IG should keep the CEO advised of important undertakings of the OIG unless notification may have a negative effect on an investigation, will advise of the investigations outcomes, and will advise of any problems encountered that warrant the Authority CEO’s attention.

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.

On January 18, 2012, the Board passed Resolution 12-007 authorizing the Authority to create an Inspector General position and hire a candidate for the position. After six months, upon review of the responsibilities of the position and the needs of the Authority, the job description and duties of the position have been expanded. With the expanded scope of the Inspector General’s responsibilities, the compensation will be referred to the Audit Committee for further consideration.

SUMMARY: Amount: N/A
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 modification of the Job Description for the position of Inspector General for DRPA and PATCO to include supervision of the Authority’s Whistleblower Hotline and recommendations for corrective Actions; execution and coordination of internal and external audits required by the Interstate Compact, Board Resolutions, Bond Indentures, and other governing documents; significant involvement in the implementation and certification of compliance by the Authority with Board Resolutions and Reforms; and reporting obligations 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 activities, audit results and policy issues: (2) address the reporting issues as discussed by the Audit Committee, with the Inspector General to report directly to the Chair, Vice Chair and the Audit Committee; and (3) refer the salary adjustment to the Audit Committee for further consideration. For administrative purposes only, the Inspector General will report to the CEO.

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.

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