

PRESENTED & ADOPTED:

SUBJECT: Establish an Office of Inspector General, Headed by an Inspector General, and Repeal Resolution 82-44, which Established the Office of Audits and Inspections

PROPOSED
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Board adopted Resolution 82-44 establishing within the organizational structure of the Authority an Office of Audit and Inspections ["Office of Audit"] headed by an Auditor General appointed by the General Manager (with Board approval) and reporting directly to the General Manager, in order to increase inspection responsibilities for the detection of fraud, fraud vulnerability and employee, consultant employee or contractor misconduct; and

WHEREAS, Many organizations, including federal government agencies and transit properties, employ an Office of Inspector General as an independent and objective unit to conduct and supervise audits, program evaluations and investigations relating to agency activities; promote economy, efficiency and effectiveness in agency activities; detect and prevent fraud and abuse in agency activities; and inform agency officials about deficiencies in agency activities as well as the necessity for and progress of corrective action; and

WHEREAS, In order to perform these functions, the Office of Inspector General would need full access to Authority records and the full cooperation of staff; and

WHEREAS, WMATA, its customers, its funding partners, signatories and oversight agencies would all benefit if WMATA had an Office of Inspector General modeled on the federal Offices of Inspector General to enhance the Authority's goals of accountability and transparency; and

WHEREAS, The Office of Inspector General would assume all functions previously performed by the Office of Audit and would perform other functions included in the duties of a federal Office of Inspector General; now, therefore, be it

RESOLVED, That there is hereby established an Office of Inspector General to conduct and supervise audits, program evaluations and investigations relating to Authority activities; promote economy, efficiency and effectiveness in Authority activities; detect and prevent fraud and abuse in Authority activities; and keep the Board fully and currently informed about deficiencies in Authority activities as well as the necessity for and progress of corrective action; and be it further

RESOLVED, That in performing these functions, the Office of Inspector General shall have access to all Authority records and the full cooperation of staff when necessary for performing the functions and responsibilities of the Office of Inspector General, shall have the authority to subpoena witnesses, papers, records and documents and shall enjoy the greatest possible independence and freedom from interference, consistent with the WMATA Compact, including initiating, carrying out and completing any audit or investigation and issuing any subpoena in the course of an audit or investigation; and be it further

RESOLVED, That the Office of Inspector General shall follow generally accepted audit practices for all audits, and shall supervise the Authority's annual independent audit of financial accounts and perform a quality assurance review of the audit; and be it further

RESOLVED, That to the extent that any of the functions of the Office of Inspector General are currently performed by another office in the Authority, those functions shall be transferred to the Office of Inspector General; and be it further

RESOLVED, That there is hereby established the position of Inspector General who shall be an Officer of the Authority, shall report to the Board and shall head the Office of Inspector General; and be it further

RESOLVED, That the Board of Directors shall establish the qualifications for and shall recruit, appoint and set the compensation of the Inspector General without regard to political affiliation and solely on the basis of integrity and demonstrated management and analytic ability and a thorough appreciation of the aims of auditing, program evaluation, criminal and civil investigations, the need for adherence to legal requirements and the special nature of working in the public sector; and be it further

RESOLVED, That the Inspector General shall serve a term of five years and may be reappointed by the Board for no more than two additional terms; a removal from office prior to the end of a term shall be in accordance with the Board's authority under the Compact, based upon criteria to be developed by the Board; and be it further

RESOLVED, That the Inspector General shall annually recommend to the Board a budget for the Office of Inspector General; and be it further

RESOLVED, That the Inspector General shall make a report periodically to a committee of the Board designated by the Board (currently the Audit Committee) as the committee may require, and semi-annually to the Board of Directors, and shall submit an annual summary report to the Mayor of the District of Columbia; the Governor of Maryland; the Governor of Virginia; the chief elected official in each of the following: Montgomery and Prince George's counties in Maryland, Arlington, Fairfax and Loudoun counties in Virginia and the cities of Alexandria, Fairfax and Falls Church in Virginia; members of Congress representing jurisdictions in WMATA's Transit Zone; the Chair of WMATA's

Riders' Advisory Council; and the Federal Transit Administration; and the annual summary report shall also be available to the public; and be it further

RESOLVED, That the Inspector General and General Manager shall maintain open lines of communication, including direct and prompt access to each other when necessary for the performance of the functions and responsibilities of the Office of Inspector General; and be it further

RESOLVED, That the Board and the General Manager may request the Inspector General to perform investigations and audits, consistent with the independence of the Inspector General set forth in this Resolution; and be it further

RESOLVED, That the Inspector General shall appoint an Assistant Inspector General for Audits and an Assistant Inspector General for Investigations; and be it further

RESOLVED, That when appointing staff, the Inspector General shall give first consideration to staff in the Office of the Auditor General; and be it further

RESOLVED, That all Office of Inspector General personnel shall be subject to existing WMATA personnel policies and procedures, and for the purpose of adhering to WMATA personnel policies and procedures the Office of Inspector General shall have departmental status; and be it further

RESOLVED, That within three months of appointment, the first Inspector General shall recommend to the Board an Office of Inspector General budget and work plan for fiscal year 2008 and an organizational staffing plan; policies and procedures to address the functioning of the Office of Inspector General, including required contracting support and authority, the scope of audit authority over contractors, operating procedures for the conduct of investigations of safety and criminal matters, the protection of confidentiality, the content of periodic reporting herein required, the recipients of investigative and audit reports and the public availability of reports issued by the Office of Inspector General; and whatever revisions or supplements to existing Authority policies he or she deems necessary to encourage the reporting of malfeasance and waste and to protect "whistleblowers" from reprisal; and be it further

RESOLVED, That, Resolution 82-44 is hereby repealed, effective upon appointment of the first Inspector General; and be it finally

RESOLVED, That this Resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,



Carol B. O'Keeffe
General Counsel