



AGENDA REPORT

PROPOSED ACTION:

Resolution: Adoption of a Resolution to Appoint Ric Jazaie as the Chief Audit Officer at an Annual Salary of \$225,000 per year Effective Upon Successful Completion of the Transportation Security Administration Background Check and Issuance of the Appointment Letter; to Authorize the President of the Board of Port Commissioners to Execute the Appointment Letter; and, to Direct Audit Services Staff to Report to the Port Attorney While the Appointment is Pending. **(Finance & Admin.)**

Submitted By: Michael Mitchell, Director of Human Resources

Parties Involved: Sherrill Uyeda, Alliance Resource Consulting

Amount: \$225,000 plus benefits

EXECUTIVE SUMMARY: Port of Oakland (“Port”) staff requests that the Board of Port Commissioners (“Board”) adopt the resolution necessary to appoint Ric Jazaie as the Chief Audit Officer at an annual salary of \$225,000 effective upon successful completion of the Transportation Security Administration (“TSA”) Background Check and issuance of the appointment letter; to authorize the Board President to execute an appointment letter; and, to direct Audit Service Staff to report to the Port Attorney while the appointment is ending.

BACKGROUND & ANALYSIS

Article XI, Section 1 of the By-Laws of the Board of Port Commissioners provides that the Board is vested with the authority to “appoint the Auditor by resolution.” The Chief Audit Officer (“CAO”) is an “at-will” senior management classification exempt from the City of Oakland’s Civil Service System. The CAO is charged with directing an independent, comprehensive program responsible for performing operational and financial internal auditing within all offices of the Port. The then incumbent CAO retired on April 17, 2020. Pursuant to Government Code Section 7522.5, the Board retained former CAO Arnel Atienza as a retired annuitant to serve as an acting CAO during this transitional period.

In April 2022, the Port selected Alliance Resources Consulting (“Alliance”) to initiate an executive search to appoint a successor CAO. Sherrill Uyeda of Alliance, under the direction of the Board, conducted an extensive nationwide search effort. Direct outreach efforts, along with advertising through a variety of forums, resulted in nine (9) applicants seeking consideration for the Chief Audit Officer position. The pool was narrowed to a diverse pool of four (4) finalists who were then interviewed by the Board on May 25, 2022. As a result of those interviews, the Board selected Mr. Jazaie as the top candidate.

Mr. Jazaie is an experienced audit professional with over twenty-two (22) years of public and private sector audit experience. Mr. Jazaie started his career at Arthur Anderson in 1997 where he held several staff, mid management, and senior level audit roles. In 2008, Mr. Jazaie became the first Director of Internal Audits at City College of San Francisco where he established the

Audit Charter for the Office of Internal Auditor. Since 2018, Mr. Jazaie has been employed at Burr, Pilger & Mayer LLP in several different practice area roles including IT Assurance, Internal Audit and Forensic Accounting/Fraud Investigations. Mr. Jazaie possesses a Bachelor of Science Degree in Business Administration from San Francisco State University and a Master of Accountancy from Golden Gate University.

As the Chief Audit Officer, Mr. Jazaie will be charged with conducting surveys, reviews, and audits as he deems to be in the best interest of the Board and the public, subject to direction and approval by the Board, or as directed by the Board. He will be tasked with performing all of the functions as described in Article XI of the By-Laws, including, but not limited to: i) reviewing and appraising the effectiveness, adequacy and application of accounting, functional, and operating controls and reliability and timeliness of accounting and other data generated within the Port organization; ii) evaluating the Port's internal controls to ensure that the Port's assets and resources are adequately safeguarded from fraud, waste, and mismanagement; iii) ascertaining compliance with the Board's resolutions and policies and the Executive Director's instructions and directives, as well as applicable State and Federal laws and regulations; iv) providing assistance to Port staff to enhance the effectiveness, efficiency and economy of their operations; v) responding to requests for audit and reviews; and vi) reporting to the Board as appropriate or as directed by the Board, as part of a deliberative process, on recommendations for corrective actions or for taking action to adopt new policies. As the CAO, Mr. Jazaie will also be responsible for conducting investigations of Whistleblower Complaints consistent with applicable Law and Port policies.

Mr. Jazaie's appointment as Chief Audit Officer will be effective upon the successful completion of the TSA Background Check and issuance of the appointment letter; the background check includes a Criminal History Records Check and a Security Threat Assessment. By way of this action, the Board authorizes the Board President to issue the appointment letter on the Board's behalf. In the interim, pending such appointment, the Board directs the Audit Services staff to report to the Port Attorney.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

☒ Exempt from CEQA because it is not a "Project" under CEQA Guidelines Section 15378(b)(95).

☐ Other:

Reason:

BUDGET

☒ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☐ Operating

☐ Non-Operating

☐ Capital

Analysis: There is no anticipated budget impact.

STAFFING

☒ No Anticipated Staffing Impact.

☐ Anticipated Change to Budgeted Headcount.

Reason:

☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility or create a new facility.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:

- | | |
|---|--|
| <input type="checkbox"/> Grow Net Revenues | <input type="checkbox"/> Modernize and Maintain Infrastructure |
| <input type="checkbox"/> Improve Customer Service | <input checked="" type="checkbox"/> Pursue Employee Excellence |
| <input type="checkbox"/> Strengthen Safety and Security | <input type="checkbox"/> Serve Our Community |
| <input type="checkbox"/> Care for Our Environment | |