

## AGENDA REPORT

**Resolution:** Adoption of a Resolution Necessary to Extend the Appointment of Katherine Buckley as the Acting Chief Audit Officer through December 31, 2018, and to Provide Temporary Supplemental Compensation of Six Percent. **(Finance & Admin.)**

**MEETING DATE:** 9/13/2018

**AMOUNT:** approx. \$3,100 (October 1 to December 31, 2018)  
Operating Expense

**PARTIES INVOLVED:** Acting Chief Audit Officer

**SUBMITTED BY:** J. Christopher Lytle, Executive Director

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Resolution

### **EXECUTIVE SUMMARY**

Port staff requests that the Board of Port Commissioners ("Board") adopt the resolution necessary to extend the appointment of Katherine Buckley as the Acting Chief Audit Officer through December 31, 2018, or upon appointment of a successor, whichever is earlier, and to approve temporary supplemental compensation of six percent (6%) for Ms. Buckley for serving as the Acting Chief Audit Officer.

### **BACKGROUND**

Article XI, Section 1 of the By-Laws of the Board of Port Commissioners provides that the Board of Port Commissioners is vested with the authority to "appoint the Auditor by resolution." The Chief Audit Officer is a senior management classification charged with directing an independent comprehensive program responsible for performing operational and financial internal auditing within all offices of the Port. The previous incumbent retired on December 31, 2017.

By way of background, in December 2017, the Port initiated the recruitment process to search for the successor Chief Audit Officer, and in the interim, appointed Katherine Buckley as the Acting Chief Audit Officer for the period of January 1, 2018 through June 30, 2018 and provided her with temporary supplemental compensation of six percent (6%). At its June 14, 2018 meeting, the Board by Resolution extended the appointment of Katherine Buckley as the Acting Chief Audit Officer from July 1, 2018 through September 30, 2018.

Since the recruitment effort is still on-going, it is necessary to extend the appointment of Ms. Buckley as the Acting Chief Audit Officer through December 31, 2018 or upon appointment of a successor, whichever is earlier, to ensure continuity of the operation of the Office of the Chief Audit Officer.

## **ANALYSIS**

Ms. Katherine Buckley serves as the Port Audit Manager ("Audit Manager"), and has served in this role since May 2012. In her role as the Audit Manager, Ms. Buckley is responsible for administering programs, project development, project management, preparation of confidential reports for senior management and the Board of Port Commissioners, and supervision of the Audit staff. Prior to being promoted as the Audit Manager, Ms. Buckley also served as a Port Senior Auditor, and she has been employed at the Port since April 2007. Ms. Buckley's professional experience also includes serving as an Associate Auditor for the City and County of San Francisco, Controller's Office and Trust Officer for the San Francisco Sheriff's Department. Ms. Buckley possesses a Bachelor's Degree in Commerce from the University College Cork in Ireland. Based on the above, Ms. Buckley is qualified to serve as the Acting Chief Audit Officer.

As the Acting Chief Audit Officer, Ms. Buckley has been and will continue to be tasked with performing all of the functions of the Chief Audit Officer as described under 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; 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 audits 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 action to adopt new policies.

In recognition of Ms. Buckley's performance as the Acting Chief Audit Officer, temporary supplemental compensation of six percent (6%) is also recommended for the period of her appointment through December 31, 2018, or upon appointment of a successor, whichever is earlier.

## **BUDGET & STAFFING**

The cost to the Port for October 1 through December 31, 2018, including any incremental benefit costs, is approximately \$3,100 offset by the vacancy of the incumbent Chief Audit Officer.

## **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

## **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022). <https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

Goal: Pursue Employee Excellence

## **LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

## **SUSTAINABILITY**

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.

## **ENVIRONMENTAL**

The matters contained in this Agenda Report were reviewed in conjunction with the requirements of the California Environmental Quality Act (CEQA) and the Port's CEQA Guidelines. The requested Board actions are not projects pursuant to CEQA Guidelines, Sections 15060(c)(3) and 15378(b)(2), and no environmental review is required.

## **GENERAL PLAN**

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)**

The Owner Controlled Insurance Program (OCIP) and Professional Liability Insurance Program (PLIP) do not apply to the matters addressed by this Agenda Report as they are not capital improvement construction or design projects.

### **OPTIONS**

1. The Board adopt the resolution necessary to extend the appointment of Katherine Buckley as the Acting Chief Audit Officer through December 31, 2018, or upon appointment of a successor, whichever is earlier, and to provide temporary supplemental compensation of six percent (6%).
2. The Board not adopt the resolution necessary to extend the appointment of Katherine Buckley as the Acting Chief Audit Officer through December 31, 2018, or upon appointment of a successor, whichever is earlier, and to provide temporary supplemental compensation of six percent (6%).

### **RECOMMENDATION**

Port staff recommends that the Board adopt the resolution necessary to extend the appointment of Katherine Buckley as the Acting Chief Audit Officer through December 31, 2018, or upon appointment of a successor, whichever is earlier, and to provide temporary supplemental compensation of six percent (6%).