Commitment to Accountability & Transparency:
Update on Port Policy Improvement Efforts

March 28, 2013
The Port of Oakland is a public agency and steward of public assets, and therefore must adhere to the highest standards of ethics, accountability, and transparency.

• The conclusion of the Port’s strategic plan states that the plan…“ensures an ethical organizational culture deeply rooted in the values of honesty and integrity, and committed to accountability, collaboration and innovation in all its activities.”

• How is the Port doing in fulfilling this commitment?
Self-Assessment

• For 13 years the Port had no formal P-Card policy

• 2009: New leadership and new strategic planning process begins making change.
  ✓ Whistleblower hotline in 2010
  ✓ P-Card Audit in 2012 (on 2011)

• 2012 P-Card audit cites multiple issues that management begins to address

• 2012 CA Public Records Request and media inquiry lead to revelations of past issues; investigation of improper expenditures

• Management and leadership had not demonstrated and communicated the necessary tone from the top
What We’re Doing Now

• **Accelerating culture change**: We must have ONE Port culture that lives up to our commitment as public servants and stewards of public assets.
  - Recent events were catalysts for accelerating this change.
  - The policies are only the beginning – really about culture.
  - This takes time, commitment, and diligence - staff must believe that management and Commissioners are committed to the highest standards of integrity, compliance, and responsibility.

• **Setting a new “tone at the top”**: Leadership (management and Commissioners) must set the new tone by communicating, as well as demonstrating and modeling beyond reproach – critical to success.

• **Rebuilding public trust**: By making these changes, we will slowly rebuild the public trust that is essential to our work – and why many of us are in public service.
A New Era of Transparency & Accountability

• Dec. 10, 2012 – Comprehensive Action:
  • Release of 2012 P-Card Audit (on 2011)
  • Release of Investigative Report about improper expenses
  • Release of “Matrix of Responsible Expense Practices”

• New leadership:
  • Crisis-induced transition in leadership for both the Executive Director and Maritime Division
  • Concluded 8-month recruitment process to select a new Port Attorney

• Commitment to change:
  • Updating key policies and completing thorough training of employees who incur expenses and their approvers to ensure compliance
  • Implementing mandatory ethics training
  • Increasing disclosure of all expenses
  • Strengthening internal controls part of FY14 strategic initiatives
Inclusive & Collaborative Approach

Overview of the 6-step Policy Review & Development Process

- Board of Port Commissioners
- Code of Conduct Team
- P-Card Team
- Travel Policy Team
- Hosting Policy Team
- Advisory Team (ED, DED, CFO, CAS, and EA)
- Leadership Academy (Representation from every part of the Port)
- Port Labor Unions

1. Board of Port Commissioners
2. Code of Conduct Team
3. P-Card Team
4. Travel Policy Team
5. Hosting Policy Team
6. Advisory Team (ED, DED, CFO, CAS, and EA)
Comprehensive & Communicative Approach

- Set up a public website, sent internal and external bulletins, bringing to Board for review and affirmation

- Including in all policy planning and communications (Currents, Executive Director recruitment, FY14 strategic initiatives)
Results to Date

P-Card:

- Revised policy incorporates P-Card audit recommendations
- Moratorium on cards until new policy, and attrition have reduced card holders by 30% since P-card audit
- Moving to electronic reporting
- New card features Port logo prominently
- Reauthorization, training, and knowledge assessment review will be required for ALL cardholders
Results to Date

• Code of Conduct:
  • Declaration of five foundational principles:
    1. Integrity
    2. Respect
    3. Fairness
    4. Stewardship
    5. Collaboration
  • Unifying, guiding message for all of the policies
  • High visibility messaging planned – for employees and public
  • New companion policy will include a detailed listing of unacceptable behaviors that could lead to corrective action
Results to Date

• **Travel Policy**
  • Revised policy with clearer guidance and guidelines for airlines, hotels, and meals

• **Hosting Policy**
  • Developed new policy for the Port

• **Additional work:**
  • Conducted SB 1234 ethics training for all managers and supervisors
  • Reporting Commissioner expenses
Additional, On-Going Work

• Finalization, training, implementation, and regular reporting on compliance with these policies
• Collaborate with Labor to implement successfully
• Develop new policies identified as necessary (e.g. employee expenditures outside of travel and hosting policies, among others)
• Continue constant communications at all levels and across all platforms
• Continue methodically addressing internal controls across the entire Port
• Leadership must continue to demonstrate and model these changes consistently through actions, enforcement, and decisive management
THANK YOU.

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