



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

Item #2a-1

“FOR INFORMATION ONLY”

DATE: APRIL 17, 2014

TO: EDWARD RENWICK, CHAIR, AUDIT COMMITTEE OF THE BOARD OF HARBOR COMMISSIONERS

SUBJECT: THE COMPLAINT THAT BECAME AN AUDIT

Background

Over several years, as the number of Harbor Department (Harbor) container cranes declined, the traditional work of the Construction and Maintenance (C&M) Division's Container Crane Mechanics, who maintained them, was reduced. Certain functions performed by C&M Electricians began to be shared with the Container Crane Mechanics, particularly with growth in the use of high-voltage electrical equipment throughout the Port of Los Angeles, such as Alternative Marine Power (AMP) connections of ships to the shore-based power supply. In 2008, Harbor requested that the job class of Container Crane Mechanic be changed to Port Electrical Mechanic (PEM) to reflect the broadened duties to work not only on container cranes, but also to perform skilled electrical, mechanical, and welding maintenance and repair work on high voltage electrical power connections, circuit protection devices, and associated switchgear on marine terminal structures and equipment throughout the Port. In 2010, ten Electricians promoted to the PEM classification. As noted above, the PEMs were intended to be a new class of skilled high-voltage electrical worker who could be deployed throughout the Port to work on either mechanical or electrical equipment. As the use of the two classes evolved, some of the Electricians and PEMs became disgruntled.

Introduction

The President of the BOHC received an anonymous letter in December 2010 and the Management Audit Division (MA) was assigned to investigate allegations of unsafe working conditions, lack of maintenance, unqualified supervisors, poor work practices, and various perceived inequities in training, promotions, overtime, and bonuses. MA conducted the first electrical safety audit in 2011 and found that these and other issues had been reported to City and Harbor management, City Council members, and BOHC members in correspondence spanning the prior six years. Ultimately, the scope of the complaint investigation widened to cover deeper issues that necessitated undertaking a performance audit.

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Audit Process

Due to the technical nature of electrical operations, it became evident that MA needed specialized industry expertise regarding Occupational Safety and Health Administration (OSHA) and industry best practices in order to evaluate the work conditions and make meaningful recommendations. MA worked with the Risk Management Division to find such expertise. The firm, URS, was selected to conduct a complete electrical safety audit. The audit began in the summer of 2012 and URS issued a comprehensive report with 152 recommendations in January 2013. Throughout the process, MA worked with Harbor management, the C&M staff, and the independent URS auditors to coordinate meetings, obtain documentation, and ensure that all voices were heard in a fair and confidential manner.

The audit concluded with 140 recommendations for improvement and C&M staff has implemented 46% of these recommendations as of January 2014. MA continues to monitor the progress of the implementation plan.

Conclusion

This process illustrates the many dynamic facets that are typical in MA projects. In this case, a complaint investigation became a performance audit requiring outside consultive expertise. MA worked with other Divisions, Harbor management, union representatives, and the City Attorney to define the project scope, schedule the audit tasks, discuss the recommendations, issue the final report to the Audit Committee, and monitor implementation of the recommendations. Throughout the process, relying on the auditor's independence and confidentiality were key.


for GARY LEE MOORE, P.E.
Interim Executive Director