Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

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3. Organizational Placement (Division/Branch/Office Name)

Administration Division, Office of Audit Services (OAS)

4. CEA Position Title

Chief of Audits

5. Summary of proposed position description and how it relates to the program's mission or purpose.

(2-3 sentences)

The Department of Social Services (DSS), Office of Audit Services (OAS) Career Executive Assignment (CEA) will serve as the Chief of Audits to stabilize DSS' audit infrastructure. The CEA will be responsible for establishing policies for statewide audit functions, including reporting audit results of the child development program and the child and adult nutrition program. The CEA will also develop and implement internal audit policies and procedures as well as short and long term audit plans, serve as the business and risk advisor within DSS, and will interface with all divisions to assist DSS in meeting its mission to serve, aid and protect needy and vulnerable children and adults through our social services.

6. Reports to: *(Class Title/Level)*

Deputy Director, CEA B

7. Relationship with Department Director *(Select one)*

- [ ] Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- [x] Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

*(Explain):* The CEA regularly consults with and advises the Deputy Director, Chief Deputy Director, and Director on program matters.

8. Organizational Level *(Select one)*

- [ ] 1st
- [ ] 2nd
- [x] 3rd
- [ ] 4th
- [ ] 5th (mega departments only - 17,001+ allocated positions)
B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

In compliance with Government Code Section 13885-13888, the OAS CEA will report administratively to the Deputy Director of Administration and functionally to DSS' Director.

The CEA will plan, coordinate, direct, and oversee the operations of the OAS in conducting comprehensive internal and external audits and audit response coordination functions within the DSS; developing and recommending policies and implementing strategic objectives and program goals to ensure the effective operation of child care and development programs in California, as required by The Early Childhood and Development Act of 2020. The CEA will also oversee departmental and mandated audits and policy development associated with maintaining the current audit program. This includes overseeing and directing:
- External operational, internal control, financial, performance and compliance audits of child and adult care food programs and child care and development programs of non-profit contractor agencies, administrative reviews, and audits of the administration of DSS programs.
- The Development and implementation of comprehensive risk-based audits.
- Certified Public Accountant (CPA) audit report reviews.
- Issuance of internal and external audit reports.
- Special request, mandated, limited-scope audits.
- Technical assistance and training to child and adult nutrition and child development provider contractors (non-profit agencies) and DSS management and leadership.

The CEA will maintain an effective audit program which will be delivered through external audits and field reviews of: Child Development and Child Nutrition programs (National School Lunch, School Breakfast, and Special Milk programs; Child and Adult Care Food Program; Summer Food Service Program; Commodities, and Adult Education programs); internal audits of any number of the many state and federal programs administered by DSS, sensitive reviews and/or examination of department internal operations, activities, or internal controls, and investigation assistance activities are also conducted.

The CEA will also confer with federal and state agencies, including the U.S Health and Human Services, U.S. Department of Education and U.S. Department of Agriculture and work closely with the Legal Division and other programs in resolving audit appeals and complaints, as well as participate in agency appeal hearings.

The CEA will directly supervise a Supervising Management Auditor and the Data Systems and Assurance Bureau staff (which consists of analyst and support staff), and indirectly supervises Senior Management Auditors, Associate Management Auditors, and Staff Services Management Auditors.
B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- □ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- □ Program is indirectly related to department's primary mission.
- □ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The OAS is an independent audit function within DSS serving as value added tool for good governance, transparency, and accountability. The OAS conducts audits and assurance activities to protect the public interest and improve governance processes and ensures public funds are properly accounted for, spent in accordance with legal requirements, properly safeguarded, and used efficiently and effectively. The OAS also provides consultative, technical assistance, training, and coordination services. As the third line of defense, the OAS provides management with the tools necessary to attain operational efficiency by identifying problems and correcting errors and gaps before they are discovered by an external audit agency or expose DSS to significant deficiencies and weaknesses which may negatively impact DSS' ability to provide services to California's most vulnerable and needy children and adults. The OAS role is in DSS is critical to DSS accomplishing its mission to serve, aid, and protect needy and vulnerable children, families, and individuals.

Under the leadership of the CEA, the OAS will assist in the program oversight of services including child nutrition and adult food care programs, ensuring thousands of low-income families and foster children in California with access to high quality child care and development services, and ensure that recipients of these services are served with dignity.

The CEA will play a fundamental role in DSS meeting the objectives of The Early Childhood and Development Act (Act) of 2020. In carrying out the Act, the CEA will develop policies to assist the Department in providing high-quality and affordable child care and development system, integration of child care with other DSS programs and services that serve the children and families, addressing social determinants of health and adverse childhood experiences which significantly impact long-term outcomes for children; and providing vital support to the child care and development workforce and programs for children to have access to equitable and stable child care and development opportunities. The transition of programs supports a child care and development delivery system that addresses these components and is broadly and transparently available to families.
B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Effective July 1, 2021, the Early Childhood Development Act of 2020 (Senate Bill (SB) 98, Chapter 24, Statutes of 2020) was enacted to authorize the transfer of twenty-one (21) programs administered by the California Department of Education (CDE) to DSS. The enacted legislation expanded oversight responsibilities across DSS and had a profound impact on the OAS' operations.

The DSS is committed to supporting a more integrated and coordinated system of care to achieve the goal of promoting a high-quality, affordable system designed to comprehensively and effectively serve children, families, and the child care and development workforce, in accordance with the Early Childhood Development Act of 2020. While this transfer involves the transition of 21 programs and services from CDE to DSS, the OAS staffing resources increased by a total of 18, which includes management and auditor positions. However, the transition did not include the CDE CEA, over these audit positions. The 18 positions will be structured within three areas: Nutrition Audits, Child Development Audits, Audit Report Review. As such, a CEA needs to be develop to accommodate the additional workload and workforce as a result of the CDE transition.
C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The CEA will play a proactive role in identifying critical needs for revised policies and will serve as the principal policy maker. The CEA will also serve as the impetus for improvement that will have a positive outcome relating to DSS programs statewide, this includes but is not limited to:

1. Developing tools and workshop content for training and educating Nutrition and Child Development non-profit contractor agencies on federal and state requirements, allowable costs, and good business practices. Additionally, provide federal reporting and other guidance to the Certified Public Accountants (CPAs) hired by the non-profit contractor agencies.

2. Acting as a catalyst and change agent within DSS by:
   - Closing silo gaps and influencing behaviors regarding internal control system and risks.
   - Working with DSS program management and administrators of other agencies on internal control systems and the impact of the pandemic on reporting requirements, as well as risks and program administration, policies, and budgets, including interpretation of allowable federal costs, and federal and state regulations and OMB Circulars. Also, conduct training presentations on allowable costs and monitoring techniques.
   - Developing and maintaining strong relationships and communications with DSS leadership to ensure concerns are addressed and expectations met; approves and oversees reports to the Director and external regulatory agencies addressing DSS' risks and control issues.
   - Developing and maintaining a strong working relationship with external auditors to ensure effectiveness of service deliver and appropriate resolution to findings and issues identified.

3. Embracing new technologies and shifting to a forward-looking orientation by developing advanced reporting tools, such as TeamMate Audit Solution implementation. This will enable OAS to report information via dashboards, conduct continuous auditing and reporting, and provide value-added internal audit plans.

4. Focusing on tactical and strategic planning, organizing, staffing and skill sets, directing through policies, training, and guidance, and monitoring congruence with CDSS objectives.

5. Providing policy development to cover departmental policy as it relates to the wide range of fiscal and operational activities administered by the OAS. This includes:
   - Establishing audit procedures and program steps to ensure compliance with federal and state regulations, establishment of effective processes to respond timely to external audit agencies auditing DSS' operations advising program staff of potential consequences of audit findings, recommending recovery funds or assets, and refers cases to federal agencies.
   - Proposing new and revised policies and overseeing evaluation and assistance in the development and implementation of new department procedures necessary to maximize the effective use of DSS' financial and information assets and in providing assurance that they are protected from illegal access, fraud, waste, or abuse.
   - Developing and recommending to DSS executive leadership regarding departmental and statewide audit policies and effective processes to respond timely to external agencies auditing DSS' operations. Also, advising program staff of potential consequences of audit findings, recommends recovery of funds or assets, and refers cases to federal agencies.
C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position’s scope and nature of decision-making authority?

The CEA will exercise sole decision-making authority which will include, but is not limited to:
- Rendering impartial and unbiased judgment in determining OAS audit activities. This includes ensuring there are no auditor and management impairments to objectivity and independence of audits performed.
- Reviewing OAS audit findings to ensure relevant and properly supported/evidenced, as well as reporting audit findings. Specifically, DSS program audit findings and recommendations made by the OAS will be reported to the Director, relevant Deputy Director and Chief Deputy Director, and General Counsel. If these parties choose to accept a level of residual risks that may be unacceptable and if leadership and program management does not take appropriate action in response to a finding or recommendation by OAS, the CEA shall consult with the General Counsel and jointly report the matter to the agency secretary or the Governor's office, in accordance to Government Code 13885-13888.
- Periodically assessing whether the OAS audit activity's purpose, authority, and responsibility, as defined in its audit charter, continue to be adequate to enable the audit activity to accomplish its objectives, and make changes as necessary.
- Reviewing and ensuring all DSS external audit responses respond appropriately to the audit finding and recommendations of external audit agencies.
- Responding to a wide range of requests from the media, legislature, and other external agencies.
- Determining gaps, establishing, and implementing policy directives and guidance on internal controls, fiscal and program accountability, and risk management.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

Effective July 1, 2021, as a result of enactment of the Early Childhood Development Act of 2020, several child and adult nutrition and child care and development programs previously administered by the CDE were transferred to DSS. As a result of this transfer, the CEA will be responsible for developing, interpreting, implementing, and/or updating both new and existing audit and internal control system policy pertaining to child and audit nutrition and child care programs already under DSS’ purview, as well as new and existing policy pertaining to the transferring programs that were previously under CDE’ purview. The CEA will also maintain policies relating to internal audits as well as develop new policies when needed.