

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

1. Date

04/10/2024

2. Department

Department of Industrial Relations

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

Office of the Director / Office of Equity and Risk

4. CEA Position Title

Chief, Office of Equity and Risk

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Office of Equity and Risk will be responsible for implementing non-discrimination policies, procedures, and practices and ensuring their integration into every aspect of employment in DIR and responsible for the development and implementation of statewide outreach strategies aimed to increase language access of limited and non-English speaking stakeholders. In addition, audit, risk, and compliance unit will provide independent, reasonable assurance the Department's governance and internal control processes are operating effectively and efficiently through risk based and objective assurance advice and insight.

6. Reports to: (Class Title/Level)

Director and Chief Deputy Director / Exempt

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.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

8. Organizational Level (Select one)

- 1st 2nd 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.

The current CEA oversees the Internal Audit and Risk Management functions and is a member of DIR executive management. The existing duties are to:

Manage all aspects of the internal audits office's operations. Plan, manage and supervise the work of the subordinate managers and staff. Formulate, implement, manage, and evaluate policy and long-range planning as it pertains to Internal Audit activities such as fraud and conflict of interest investigations, internal control evaluations, procurement reviews, external audit coordination, special projects and other required activities.

Make recommendations to Departmental and Agency management on significant issues impacting programs, such as risk management and governance processes, internal control procedures, and other activities to ensure compliance with laws and regulations and provide guidance regarding federal and outside agency audits of their programs. Coordinate with control agencies when necessary. Provide high-level oversight on the development of internal corrective action plans based on audit findings.

Provide leadership, management direction, supervision, and policy direction for the work activities and performance of the Enterprise Risk Management. Provide guidance to leadership and staff assigned to program area compliance responsibilities. Oversee activities associated with the following enterprise-wide risk and compliance functions: Governance and Oversight, Risk Assessments and Due Diligence, Policy Management, Risk. Develop policies to ensure that risks, controls and compliance functions are properly managed and support the achievement of DIR's strategic goals and business objectives. Oversee the annual enterprise risk and compliance risk assessments; develop strategic plans for enterprise risk and compliance risk mitigations, as a result of the risk assessments. Develop, implement and maintain enterprise-wide policies, standards, procedures, and guidelines for enterprise risk and compliance management to ensure the integrity and effectiveness of DIR enterprise risk and compliance functions.

The additional duties that will be added are:

Serves as the EEO Officer for the Department, manage the Department's EEO and Civil Rights functions such as: equal employment opportunity/employment discrimination, workforce diversity, workforce analysis, Americans with Disabilities Act (ADA), Upward Mobility program, Bilingual Language Services program, Whistleblower Protection Act program, compliance review, special investigations, the Uniform Services Employment and Reemployment Rights Act, EEO-related mandatory training and compliance, etc. Investigate, report all findings, and make recommendations in the formulation and statement of the Department's official position on EEO matters to the Chief Deputy Director and Director.

Develops and implements policies and procedures for the investigations program, including the provision of guidance for addressing allegations of staff misconduct, investigative strategies, the Internal Whistleblower program, and investigative work conducted to assist other outside law enforcement entities. The Chief serves as the principal investigative policy advisor to Director and Chief Deputy and directs staff in the development and timely performance of highly sensitive and confidential Investigations.

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 Office of Equity and Risk are critical to DIR's mission. A diverse and inclusive workforce will bring different perspectives, experiences, and ideas to the department, which can lead to more innovative solutions and approaches to achieving the department's mission. In turn, will help ensure that decisions are made with a broader range of perspectives and experiences in mind to reach more stakeholders. A department that values diversity and inclusion can foster a more collaborative and supportive work environment, where employees feel valued and respected. This can lead to better teamwork and communication, which can improve the quality and timeliness of the department's work. Furthermore, a diverse and inclusive workforce can help ensure that the department is accessible to a wider range of stakeholders and communities. This can help increase the department's relevance and effectiveness in serving its constituents in an effective and timely manner. The program will help ensure that its policies, programs, and services are equitable and fair to reduce disparities and ensure that all members of the community have access to the resources and opportunities they need to succeed.

From a compliance and risk perspective, the program will help identify risks and potential violations early, before they become major issues. This can allow DIR to take prompt corrective action and mitigate the impact of the risks. Risk management can help prevent financial losses by identifying and mitigating risks that could lead to fraud, waste, or abuse. Whistleblower programs can provide an early warning system for these types of risks and are crucial for ensuring compliance with laws, regulations, policies, and procedures. By providing an avenue for employees to report potential violations and by identifying and addressing compliance risks, organizations can avoid legal and reputational consequences. This can enhance the organization's credibility and trustworthiness among stakeholders. Furthermore, internal audit, and risk management can help foster a culture of transparency, accountability, and ethical behavior. By encouraging employees to report concerns and addressing risks promptly, organizations can demonstrate their commitment to these values and create a more positive work environment.

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.

DIR's increasingly complex mandates has necessitated the expansion and consolidation of certain functions that were siloed now make more sense to bring into one program area. DIR has a unique organizational structure that includes multiple Governor's appointees, such as commissioners and board members that operate as independent entities under the overall DIR structure. This is due to the significant and diverse responsibilities of DIR to protect all workers' health, safety, and rights in California. This new environment has put tremendous pressure on DIR to consider new, forward-thinking, strategies designed to detect potential instances of waste, fraud, and abuse. The current structure of DIR has bullying, and workplace violence being investigated by HR, whistleblower complaints by Internal Audit, and EEO complaints by Diversity and Inclusion. By bringing all internal investigations into one area, it will allow for a streamlined intake process. In 2022, DIR received nearly 100 individual internal complaints. With the siloed approach, many staff submitted their complaint or allegation to the wrong area, which resulted in delaying the internal investigations while complaints were routed to the correct division. There were also instances of redundant work being performed by multiple divisions that included interviewing the same witness and gathering the same supporting documentation multiple times. By having all investigations in one area, DIR will be able to better track and analyze complaint data for patterns and trends. This data can then be used to more easily develop department wide policy changes that will reduce the potential for fraud, waste, and abuse. A dedicated investigations team will also allow for the removal of reliance on external investigations contracts. EEO complaints will be investigated by Civil Service classifications and will reduce the overall time for each investigation.

Furthermore, the department is experiencing an increased and urgent need to update and change existing policies to ensure compliance with rapidly changing state and federal requirements, as well as new equity inclusion efforts. This requires a long-term dedicated leader, whose primary focus is working collaboratively with internal teams, stakeholders, advocates and other external groups to embark upon this significant endeavor.

This revision to an existing CEA position has been proposed to administer significantly expanded scope beyond what is currently overseen.

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 current CEA's responsibilities are:

-Internal Audit. The CEA will serve in a policy influencing capacity by serving as subject matter expert on internal audit and enterprise risk management functions, providing information and perspective on the promulgation of new regulations and the enactment of legislative proposals. This position will ensure DIR is in compliance with provide expert testimony before the Office of Administrative Law, the bureau's Advisory Committee, and the California Legislature on enforcement and related matters.

-Risk Management Strategy and Policies. The CEA is responsible for developing and implementing the risk management strategy for the organization. This includes identifying potential risks, assessing their likelihood and impact, and developing strategies to mitigate or manage those risks. The CEA is responsible for establishing risk management policies and procedures that align with the organization's overall objectives and values. This includes setting risk tolerance levels and ensuring that risk management practices comply with legal and regulatory requirements. The CEA prepares and presents reports to senior management and Agency on the organization's risk profile and risk management activities. These reports identify key risks and provide recommendations for managing those risks.

They will expand to include, but not be limited to:

-Investigations. The CEA will adopt and implement investigation industry best practices such as Federal Sentencing Guidelines. This includes developing policies for the Whistleblower Hotline, which is available statewide to employees and the public to report possible violations of employee misconduct, regulation, policy, or waste, fraud, bribery, falsification of records or reports, and/or misuse or waste of state resources. These policies require collaboration with legal counsel and state and federal oversight agencies. Additionally, audit and investigation entities serve as change agents of an organization and their objective audits and investigations often impact statewide department policies. Specifically, DIR investigations have resulted in reports and/or worked with state and federal entities on cases related to misuse of state resources, (i.e., time, vehicle, equipment), conflict of interest, falsification of documents, discrimination, health and safety violations, hostile work environment, and contractor fraud. Many cases can be systemic and as a result, require new or revised policies that have statewide impact. Examples include investigations related to time keeping fraud, misuse of state vehicles, and bid rigging and bribery. cases, all of which have led to statewide departmental policy changes. Serve as the primary contact for DIR for other enforcement agencies, inside and outside of the state, to increase comprehensive and coherent responses to problems while reducing redundancy.

-Equal Employment Opportunity (EEO). The CEA will be responsible for the DIR's EEO and Civil Rights functions such as: equal employment opportunity/employment discrimination, workforce diversity, workforce analysis, Americans with Disabilities Act (ADA), Upward Mobility program, Employee Mediation Program (EMP), Bilingual Language Services program, the Uniform Services Employment and Reemployment Rights Act, EEO-related mandatory training and compliance, etc.

C. ROLE IN POLICY INFLUENCE (continued)

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

The current CEA has decision making authority over:

-Internal audit. The CEA is responsible for ensuring that the internal audit function adheres to professional standards and practices. This includes developing and implementing audit policies and procedures, providing training to audit staff, and monitoring compliance with audit standards. The CEA is responsible for ensuring that the organization complies with relevant laws, regulations, and industry standards. This includes identifying and assessing compliance risks and developing strategies for mitigating those risks.

-Risk management. The CEA is responsible for ensuring that the organization complies with relevant laws, regulations, and industry standards related to risk management. This includes identifying and assessing compliance risks and developing strategies for mitigating those risks.

The CEA will be expanded to have authority over:

-EEO. The CEA will lead in the development of new program initiatives and a strategic plan and goals focused on the most impacted communities to reduce and eliminate outcome disparities. The position will also serve as an advocate, mentor and resource for concerns and issues related to equal employment

opportunity and collaborate with the Legislature, counties, tribes, other state and federal agencies, vendors, advocates, clients, and other stakeholders.

-Internal Investigations. The CEA will direct staff in the development and timely performance of sensitive and high-risk investigations. The CEA will work closely with in-house legal counsel and with representatives of State and Federal oversight agencies, as needed.

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

The CEA will be developing and implementing new policies and interpreting existing policies for four Sections: Investigations, Internal Audit, Risk Management, and EEO. The CEA will serve as the principal policymaker in implementing regulations and standards applicable to the Investigations Unit. The CEA will adopt and implement investigation industry best practices. A primary function of this unit is to interpret existing statewide polices and determine if a violation of law, regulation or policy has occurred. This will also require collaboration with legal counsel and state and federal oversight agencies as investigation cases can lead into criminal investigations where collaboration with law enforcement is critical. Additionally, audit and investigation entities serve as change agents of an organization and their objective audits and investigations often impact statewide department policies. Specifically, issued reports and/or worked with state and federal law enforcement agencies on cases related to misuse of state resources, (i.e., time, vehicle, equipment), conflict of interest, falsification of documents, discrimination, health and safety violations, hostile work environment, and contractor fraud. Many cases can be systemic and as a result, require new or revised policies that have statewide impact. Examples include investigations related to time keeping fraud, misuse of state vehicles, and bid rigging and bribery cases, all of which have led to statewide departmental policy changes.

The CEA will both interpret and implement existing policies and develop new policies. The CEA will be charged with implementing state policies related to ensuring non-discrimination in government, including language access, disability access and hate crimes. The CEA will collaborate with Department management, communities, programs across the organization, and other external interested parties to identify additional areas of opportunity where policy development and implementation would reduce the outcome gaps of historically under-served or underrepresented communities. The CEA will have significant responsibility to equip program managers with a working knowledge of civil rights and accessibility tools to meet these goals.