

Governance, Risk Management, and Compliance Council Charter



May 2018

Purpose

The Governance Risk Management and Compliance Council (Council) is a member-driven professional council whose purpose is to advance sound governance, risk, and compliance management principles for California public entities. Council members foster collaboration across public entities by sharing knowledge and resources on sound governance, risk, and compliance management principles and practices to improve operational performance and the delivery of their mission.

Vision

To build and cultivate risk intelligence within government operations to better serve the public.

Mission

To empower and engage leaders in the achievement of California's social, environmental, and economic prosperity goals by:

- Sharing best practices, tools, and organizational models of operation for governance, risk management, and compliance programs.
- Developing and recommending performance standards for data integrity and value-driven reporting.
- Providing a forum for networking and knowledge sharing of risk management and compliance professionals.
- Pursuing innovation and continuous improvement through collective knowledge sharing, problem solving and the monitoring of current and projected risk exposures and trends.

Goals and Objectives

Goal 1: To build and cultivate risk intelligence and compliance for improved organizational performance results.

- Sustain a forum where questions regarding risk and compliance can be addressed by participating Subject Matter Experts (SMEs) and shared across public entities.
- Help mature governance, risk management, and compliance processes so all public entities can move forward and establish processes or improve existing processes.

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Goal 2: To create a repository of best practice resources, tools and templates supporting and promoting recommended performance standards.

- Develop and make available risk and compliance resources, reference documents, tools and templates, and educational materials.
- Develop best practice models and standards.
- Identify relevant training resources for departments.
- As appropriate, establish subcommittees of SMEs to research, evaluate, and present to the Council.

Goal 3: Partner with the Department of Finance's Office of State Audits and Evaluations regarding State Leadership and Accountability Act (SLAA, formerly Financial Integrity State Managers Accountability Act) to enhance statewide development of risk assessments, reporting, monitoring, and management for improved organizational performance. Encourage additional partnerships with other agencies such as the California Government Operations Agency.

- Facilitate best practice workshops.
- Identify speakers and topics for quarterly forums.
- Co-sponsor training seminars.

Background

California state agencies are facing unprecedented pressure to demonstrate accountability and stewardship of the public good. With increased focus on budget and performance management, organizations are continuously exploring opportunities to improve strategic, business, workforce, and technology planning with increased awareness of the need to manage risk and compliance at an enterprise level, as compared to individual silos, for successful outcomes.

With a number of departments engaged with researching, developing, and implementing risk and compliance programs, several departments came together in the summer of 2014 to share information and best practices. As interest increased, the Risk and Compliance Public Agency Network (RCPAN) was formed in 2015 to provide a forum for risk and compliance professionals in public entities. By December 2015, membership had expanded to twenty-two (22) public entities.

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Based on growing interest and development of risk management and compliance functions in public entities, the group identified the need to establish a charter to formalize the collaboration, the guiding vision and mission, and increase information sharing opportunities with public entities.

During the February 2016 quarterly meeting of RCPAN, members provided feedback and input on forming a council. Efforts of all members resulted in the formation of the Governance Risk and Compliance Council.

Governance is included in the name “Governance Risk Management and Compliance Council” to address today’s political and business environment, where there is an increased focus on integrated treatment of governance, risk management, control systems, and compliance activities. Governance is the framework of rules, relationships, systems, and processes within and by which authority is exercised and encompasses the mechanisms by which organizations and those in control are held accountable. Governance is inclusive of culture, laws, policies, and processes that define the organizations’ structure by which agencies are directed and managed. Together, governance risk, management, control systems, and compliance activities encompass a system of people, processes, and technology which work together to enable an organization to¹:

- Understand and prioritize stakeholder expectations.
- Set business objectives that are congruent with values and risks.
- Achieve objectives while optimizing risk profile and protecting value.
- Operate within legal, contractual, internal, social, and ethical boundaries.
- Provide relevant, reliable, and timely information to appropriate stakeholders.
- Enable the measurement of the performance and effectiveness of the system.

Organizational Structure

The Council maintains an organizational structure comprised of a sponsor and co-chairs who support the ongoing strategic development of the network and its administration. The roles of sponsor and co-chairs are voluntary. Co-chairs are nominated and elected by members of the Council.

Sponsor:

¹Open Compliance and Ethics Group (OCEG). 2015 OCEG Red Book – GRC Capability Model - V3.0. Retrieved on 6/20/2016 from <http://www.oceg.org/>

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The sponsor provides leadership for the Council, works to inspire a shared strategic vision, and helps to create conditions for the success of the Council and its membership. The sponsor should be able to ensure their agency is supportive of the goals of the Council and demonstrate a vested interest in realizing those goals.

Co-Chairs:

The co-chairs help the Council maintain continuity of action in achieving its mission, vision, and objectives. The co-chairs have responsibility to:

- Develop and plan quarterly meeting agendas on governance, risk, and compliance topics to maximize the value of the Council.
- Facilitate Council conversations and dialogues, in collaboration with meeting hosts.
- Coordinate the administrative activities of the Council including outreach activities, meeting schedules, supporting meeting hosts, maintaining e-mail distribution lists, and other administrative membership activities.
- Assist in the establishment of subject matter expert committees on key topics that support the Council's mission.
- Document Council activities and prepare pertinent reports and communications for Council members.

Membership and Responsibilities

Council membership is comprised of public service professionals with an interest in governance, risk management, and compliance. Membership includes public entities. Vendors are not considered members but can present at meetings as guests and subject matter experts in support of the goals and objectives. Selection of vendors will be determined by Council members with the final decision made by the Council sponsor and co-chairs.

All members will be responsible for promoting and cultivating governance, risk management, and compliance competencies and practices. Regular and active participation and collaboration is expected from all members.

Forums

The Council will meet quarterly to facilitate and execute its goals and objectives. Per concurrence of the co-chairs, one or more full-day annual meetings may be considered to

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facilitate planning, product development, and expert presentations in support of the goals and objectives.

Members of the Council will host the quarterly forums. The hosts for the upcoming year will be selected annually between the third and fourth forum of each year. The host, with assistance from the co-chairs, will be responsible for scheduling, finalizing the agenda, and facilitating the forum. Forums will be structured to support achievement of the goals and objectives.

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Term

The informal structure of the self-chartered Council does not define terms for members in good standing (see *Membership and Responsibilities*). Co-chairmanship will be up for nomination and election by the members annually to maintain continuity of operation, promote organizational diversity, and encourage other members to serve as leaders. The Charter will be reviewed annually and updated as needed to reflect the evolving needs of its members.

Sponsor:

Ms. Julie Whitten

Co-Chairs:

Mr. John Griffin

Mr. Larry Jensen

Mr. Vincent Espinosa

Mr. Harry Price

Ms. Anne Marie Nielsen