

Governance, Risk Management, and Compliance Council Charter



March 2022

Summary

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

Vision

Excellent governance, risk management, and compliance resulting in effective decision-making, process improvement, and mature systems of internal control.

Mission

Provide a supportive alliance for the governance, risk management, and compliance professionals within state organizations.

Goals and Objectives

Goal 1: Deliver a quarterly forum to help mature GRC processes for all state organizations.

- Create a setting where questions regarding governance, risk, and compliance can be addressed and resources shared across state organizations.
- Share best practices and promote mentoring opportunities.
- Facilitate networking among GRC experts in state organizations.
- Host presentations by various GRC experts to educate and inform GRCC members.

Goal 2: Champion the requirements of the State Leadership and Accountability Act (SLAA) to establish and maintain a system or systems of internal control including the five components of internal control: 1) control environment, 2) risk assessment, 3) control activities, 4) information and communication, and 5) ongoing monitoring.

- Partner with the Department of Finance's Office of State Audits and Evaluations to advise them on emerging department trends around GRC and provide recommendations to improve the SLAA reporting process.

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- Increase partnerships with other agencies such as the California Government Operations Agency and other state departments.
- Facilitate best practice workshops.
- Identify speakers and topics for quarterly forums.
- Co-sponsor training seminars.
- Continuous learning from the private sector, county and local government on best practices that can be adapted to state-level public setting.

Background

California state agencies face pressure to demonstrate accountability and stewardship of the public good. With increased focus on evaluation of program outcomes, budget and performance management, organizations continuously explore 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 state organizations. By December 2015, membership had expanded to twenty-two (22) state organizations. In 2021, more than eighty (80) state departments are part of this network.

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

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 organization’s structure by which agencies are directed and managed. Together, governance, risk management, control systems,

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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 performance and effectiveness of the system.

Organizational Structure

The Council maintains an organizational structure comprised of two sponsors and co-chairs who support the ongoing strategic development of the network and its administration. The roles of the sponsors and co-chairs are voluntary.

Sponsors:

The sponsors provide leadership for the Council, work to inspire a shared strategic vision, and help to create conditions for the success of the Council and its membership. The sponsors 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, goals, and objectives. The co-chairs have responsibility to:

- Develop and plan quarterly meeting agendas on GRC 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.
- Document Council activities and prepare pertinent reports and communications for Council members.

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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Membership and Responsibilities

Council membership is comprised of state organizations' professionals with an interest in GRC. Membership includes state organizations. Vendors are not considered members but can present at meetings as guests and subject matter experts in support of the goals and objectives. The co-chairs will determine selection of presenting vendors.

All members will be responsible for promoting and cultivating GRC competencies and practices. Regular and active participation and collaboration are 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 facilitate planning, product development, and expert presentations in support of the goals and objectives.

Term

Incoming co-chairs are nominated and selected by current co-chairs at least biennially to maintain continuity of operation, promote organizational diversity, and encourage other members to serve as leaders. Co-chairs will serve a two-year term.

The Charter will be reviewed biennially and updated as needed to reflect the evolving needs of its members.

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Co-Sponsors:

Julie Whitten

Julie Whitten

Sarah Soto-Taylor

Sarah Soto-Taylor

Co-Chairs:

Felicia Borges

Felicia Borges

Nate Lyday

Nate Lyday

Alejandro Mora-Huerta

Alejandro Mora-Huerta

Gini Corbitt

Gini Corbitt

Lauren Rice

Lauren Rice

Charlene Ho

Charlene Ho