

January 04, 2024

Yana Garcia, Secretary
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

Dear Secretary Yana Garcia,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Office of Environmental Health Hazard Assessment submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact David Edwards, Chief Deputy Director, at (916) 261-3664, David.Edwards@oehha.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Office of Environmental Health Hazard Assessment's mission is to protect and enhance the health of Californians and our state's environment through scientific evaluations that inform, support and guide regulatory and other actions. OEHHA performs risk assessments for various California Environmental Protection Agency (CalEPA) programs, as well as for other state and local agencies. OEHHA provides these agencies and programs with the scientific tools and information upon which to base risk management decisions. Distinct programs within OEHHA focus on assessing health risks from exposure to chemicals in air, drinking water, food (including fish and shellfish) and consumer products. OEHHA also evaluates pollution burdens and vulnerabilities in California communities and tracks impacts of climate change in California.

The following four goals encompass the priorities OEHHA has established for our strategic plan and illustrate our responsibilities as well as our role as a national leader in the field of health risk assessment:

Goal 1: Improve the quality of the public's health and the environment.

Goal 2: Advance the science for the evaluation of risks posed to the public health and environment, and provide risk assessment leadership for the State of California.

Goal 3: Provide high quality information about environmental health hazards to the public.

Goal 4: Effectively and efficiently use our internal resources to accomplish our mission.

Control Environment

OEHHA's Executive Office, which consists of the Director, Chief Deputy Director, Chief Counsel, and three Deputy Directors, provides the direction and leadership necessary to plan, develop and

administer programs and activities in OEHHA. Executive staff exercises appropriate levels of responsibility and authority to establish an effective control environment. Under general direction of the

Chief Deputy Director, the Deputy Director for Scientific Programs directs the activities of the Division of

Scientific Programs, which is comprised of four branches: Community and Environmental Epidemiology

Research; Air and Site Assessment and Climate Indicators; Reproductive and Cancer Hazard Assessment; and Pesticides and Environmental Toxicology. Each branch is comprised of sections

overseen by Section Chiefs who report to one of the four Branch Chiefs. OEHHA's Office of External

and Legislative Affairs provides information to the Legislature, the news media and the public, as well

as implementation support for the Proposition 65 program. The Deputy Director of Administrative

Services coordinates the work of its Administrative Services Division's four branches: Information

Technology; Fiscal Services; Contracts and Business Services; and Human Resources. The Office of

the Chief Counsel provides legal support to various programs. The Executive Office communicates

directly with other managers through alternating monthly meetings with branch chiefs and the entire

management team, respectively.

As outlined in OEHHA's strategic plan, the following principles guide OEHHA in carrying out its mission:

- Accountability in programs and activities
- Credibility in scientific findings and reports
- Honesty in actions and communications
- Innovation across scientific disciplines
- Integrity in all arenas
- Objectivity and respect for a range of opinions
- Open and cooperative communication
- Respect for staff

- Stewardship for wildlife and ecosystems
- Rigorous scientific analysis
- Support for advancing environmental justice and tribal relationships

OEHHA's Executive Office and management team put continuing emphasis on these values and work hard to make sure they are at the core of our workplace culture. As a relatively small office, OEHHA executives, middle managers and staff know each other on a first-name basis, and this has helped foster open communications, trust and the maintenance of a positive, open culture throughout the organization. OEHHA executives meet regularly with branch chiefs and the first-level supervisors who report to those branch chiefs to discuss issues of concern as well as reaffirm our workplace values.

OEHHA leadership, department managers and supervisors provide staff with a clear overview of duties and expectations of their position. Staff are held accountable for performing their duties, and complying with policies, procedures and processes. OEHHA's Human Resources Branch assists managers and supervisors in the appropriate and timely application of preventative and progressive discipline processes to address any concerns relating to job performance. All levels of staff also participate in the annual performance review process and any deficiencies identified are followed up on by management. Also, it is the policy of the department to evaluate the work and efficiency of a probationer at sufficiently frequent intervals to keep the employee adequately informed of progress on the job.

OEHHA's control environment is multi-faceted. Our scientific assessments undergo a rigorous internal-review process to ensure they are thorough and based on the best science. This process often involves interbranch reviews to ensure consistency of assessments across OEHHA's different programs. It also ensures accountability among staff scientists. We highly recommend and encourage staff to complete Individual Development Plans and support reasonable requests for training to ensure our staff can perform at their highest level.

OEHHA has documented in its SLAA reports over the years the risks it has identified and steps it has

taken to mitigate those risks. Succession planning has been a high priority in OEHHA, given the high percentage of our staff that are at retirement age. Revamping an ongoing recruitment program in middle of a pandemic, maintenance of high standards for potential hires, and our reputation for scientific integrity has enabled us to backfill retiring staff with qualified replacements. Additionally, we have also made cultural diversity and inclusion a priority when hiring new staff.

OEHHA ensures that its policies and procedures are available to all staff and the employees are well acquainted with the policies and procedures that pertain to staff job responsibilities. To ensure greater efficiency and uniformity, especially in middle of a pandemic with changing circumstances, OEHHA's Human Resources Branch is collaborating with the other Boards, Department, and Offices within CalEPA on development and implementation of new policies. In addition, we take audits and feedback from control agencies seriously and address shortcomings that they may find. We adhere to state-

approved practices in our accounting, contracting, human resources and IT operations, and regularly review OEHHA's expenditures. The Executive Office insists on honest communications both internally as well as with external stakeholders, and guards OEHHA's reputation in the scientific and stakeholder communities as a credible and honest organization.

Information and Communication

In order for OEHHA to achieve its objectives, management communicates frequently with its employees and external stakeholders. For example:

OEHHA management communicates changes in policies or department operations through email that are distributed to all employees. Policies are posted on the intranet for employee access. In addition, regular communication happens via the following:

- 1) Weekly Executive Staff meetings; 2) Monthly extended management team meetings; 3) Weekly/ Monthly Branch and Section meetings; 4) We have increased the number of staff meetings; 5)

e-mails

to the extended management are used to share and communicate important information or requests

focused on managers and supervisors; and 6) All staff e-mails are used to communicate important

information to everyone. In addition, we started sending out regular newsletters with updates.

In addition, OEHHA executives maintain an "open door" policy through which staff at any level can

share thoughts, ideas and concerns directly with executives. Staff typically report concerns to management through official channels (principally by expressing concerns to their supervisor or the

human resources office), but these open-door meetings are also a way for staff to convey concerns to executives.

We place a high priority on being responsive to legislative and media inquiries. We report all legislative

and media contacts to CalEPA to ensure our accountability. We all communicate our key activities to

CalEPA and sister CalEPA programs through the agency's weekly and biweekly reports, and regularly

meet with CalEPA and our sister agencies on topics of mutual interest and concern.

OEHHA has long had an "open door" policy with external stakeholders, who regularly meet with us to

discuss their interests and views on OEHHA's activities.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Office of Environmental Health Hazard Assessment monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Mike Gyurics, Deputy Director, Administrative Services; David Edwards, Chief Deputy Director.

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given to: David Edwards, Chief Deputy Director; and Mike Gyurics, Deputy Director, Administrative Services.

The Office of Environmental Health Hazard Assessment's Executive Office is responsible for overall management of OEHHA. The Executive Office meets weekly to address assignments, priorities, timelines, and mandates and strategizes ways to address areas of concern. The meeting topics include discussion of current and potential internal control issues that need to be addressed. In addition, monthly meetings are held with OEHHA mid-level managers to share information, raise issues and address concerns. In addition, Branches and Sections within OEHHA meet regularly to disseminate information and hear issues from staff. All-staff meetings are also regularly held to share vision, direction and to highlight progress.

The Administrative Services Division uses a system of checks and balances to address internal control within the procurement, contracting, budgets, and accounting functions via the roles assigned to staff within Fi\$cal. As OEHHA is a small department, some staff have multiple roles and at times those additional roles can appear to affect adequate separation of duties. In instances where staff are assigned multiple roles, OEHHA documents why staff must have a particular role. In most instances the role is assigned only for back-up purposes. In addition, the Information Technology and Human Resources functions operate similarly, only providing access to staff with a specific need and are set-up to maintain separation of duties as much as possible. As an organization OEHHA's internal controls and monitoring happen regularly.

OEHHA's controls are also monitored by outside Control Agencies through audits or reviews. The State Personnel Board conducts compliance reviews on a three-year cycle of OEHHA's personnel practices. The California Department of Technology conducts an information Security Program Audit on a four-year cycle. The California Military Department conducts cyber security independent assessments on a three-year cycle. Any findings or deficiencies found during these audits or assessments are addressed with department managers and staff.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Office of Environmental Health Hazard Assessment risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: potential impact to mission/goals/objectives, timing of potential event, and potential impact of remediation efforts.

RISKS AND CONTROLS

Risk: Loss of key staff and Institutional Knowledge

Loss of key staff could delay work products, result in poor quality work products and missed deadlines.

Many staff at OEHHA are eligible to retire and some of those staff are in "key person dependent" positions. OEHHA has 114 scientist positions. Of the 114 scientists, 26 are eligible to retire. In 2023, OEHHA had six scientists retire and another eight left the organization. This represents over twelve percent of the turnover in a single year. In addition, two are likely to retire within the next twelve months (December 2024); this represents roughly an additional two percent turnover rate in OEHHA's scientific positions, with an additional three percent turnover likely the following year. The scientific expertise and experience is extremely difficult to replace.

In addition, OEHHA's Executive team has three vacant positions and one member who is of retirement age.

Key person dependencies exist within areas of scientific expertise and in the area of writing and editing for lay audiences. Due to the pandemic, it was difficult to recruit new hires who have this expertise. The quality of OEHHA work products would suffer and our ability to communicate our work to policymakers, our non-scientific stakeholders and other non-scientific audiences would be compromised if we were to lose these key people.

Control: Control A

OEHHA will continue cross-training, job shadowing, and mentoring in those areas anticipating a loss of staff due to retirement and OEHHA will focus recruitment efforts to address "key staff dependency" areas, i.e. strong writing skills, applied mathematics, and modeling.

Control: Control B

OEHHA will continue to develop training opportunities to further develop existing staff, especially in the areas where key dependencies exist.

Risk: Keeping Current with New Science

The science underlying OEHHA's risk assessments is changing and traditional assessments based on animal toxicology data will become increasingly outmoded. Therefore, it is important for OEHHA to keep up with the transformational scientific developments to make use of newer types of data and to facilitate accelerated assessments. New scientific developments on the key characteristics of chemicals causing adverse health effects, susceptible and vulnerable populations, combined effects of multiple hazards, (including chemical, physical, and biological agents), and new approach methodologies (NAMs which include high throughput assays, non-mammalian systems and computational models) are becoming available and increasing in importance. If OEHHA's assessments do not account for these new scientific data and methods, they cannot effectively address the unassessed chemicals of importance to the State of California in a timely manner and could be regarded as being unable to support subsequent policy decisions to protect the health and environment of Californians.

Control: Control A

OEHHA will actively recruit scientists who have knowledge of new assessment methods and will encourage its scientists to interact with other national and international experts in this area.

Control: Control B

OEHHA will collaborate with experts across the UC system and Texas A&M to develop scientifically defensible models and frameworks for the use of new assessment methods and data to support risk assessments.

Risk: Staff Recruitment and Retention

OEHHA has made it a priority to examine recruitment efforts and monitor staffing levels to determine departmental hiring needs. OEHHA remains dedicated to hiring a qualified and diverse workforce while ensuring the development of existing talent. However, due to a variety of factors, it has been challenging to find qualified candidates, fill vacancies, and retain

current staff. It has been difficult to find and recruit candidates with the required education and experience needed for number of OEHHA's specialized and professional classifications. Additionally, OEHHA has lost key staff due to retirements, promotional opportunities outside of the Department, and increasing workload demands. The loss of key staff risks the loss of needed capacity and valuable expertise, knowledge, institutional history, and in-depth understanding of tasks and programs. If OEHHA does not retain staff or fill vacancies in a timely manner, the department also risks failing to complete priority projects, missing important deadlines, and burning out existing staff. These risks will negatively affect operational flow. OEHHA will continue to prioritize recruitment and retention and seek new ways to mitigate these risks.

Control: Control A

The key to building and retaining a well-qualified workforce is effective outreach and recruitment. To help meet these needs, OEHHA will be continuously hiring for several hard to recruit classifications while conducting outreach to universities and local organizations. Outreach recruiting is a type of recruitment practice where the employing organization makes a determined and persistent effort to inform potential job applicants of available positions within the organization. This can be very beneficial for the Department because we will be able to develop relationships with a variety of recruitment sources regarding job openings.

Control: Control B

Use of social media platforms such as LinkedIn tools to recruit strong candidates for jobs OEHHA is hiring for. This helps OEHHA to reduce this risk by improving and fostering new and innovative solutions and processes to ensure OEHHA continues to have a strong and skilled workforce in place, and helps to provide new opportunities and outlets to recruit for technical or key positions throughout the organization.

CONCLUSION

The Office of Environmental Health Hazard Assessment strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Dr. Lauren Zeise, Director

CC: California Legislature [Senate, Assembly]

California State Auditor

California State Library

California State Controller

Director of California Department of Finance

Secretary of California Government Operations Agency