

Office of the Inspector General

2015 SLAA REPORT

December 31, 2015

Michael Cohen, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Mr. Cohen,

In accordance with the State Leadership Accountability Act (SLAA), the Office of the Inspector General submits this report on the review of our systems of internal control and monitoring processes for the biennial period ended December 31, 2015.

Should you have any questions please contact Jana Boccalon, Staff Services Manager I, at (916) 255-1390, boccalonj@oig.ca.gov.

BACKGROUND

The Office of the Inspector General (OIG) was established by the Legislature in 1994 to review the policies and procedures of the Youth and Adult Correctional Agency, now the California Department of Corrections and Rehabilitation (CDCR). In 1998, following legislative hearings that revealed widespread abuse in the State's correctional system, the Legislature expanded the OIG's duties and transformed the OIG into an independent agency reporting directly to the Governor. As indicated in our last report, 2011 was a time of great change for the OIG. A series of legislative actions refined the statutory mandates; the OIG's legal authority can be found in Penal Code sections 2641 and 6125-6141.

The OIG's mission is to safeguard the integrity of the State's correctional system by providing oversight and transparency through monitoring, reporting, and recommending improvements on policy and practices of CDCR. The OIG accomplishes that mission by conducting ongoing system monitoring, and select reviews of policies, practices, and procedures of the CDCR when requested by the Governor, the Senate Committee on Rules, or the Assembly. The OIG's primary responsibilities include the following:

- Provide contemporaneous oversight of internal affairs investigations and the disciplinary process of the CDCR.
- Monitor use-of-force reviews conducted by CDCR and response to critical incidents within the institutions.
- Review the qualifications and backgrounds of the Governor's candidates for appointment to serve as wardens in the State's prisons and as superintendents for the State's juvenile facilities, and provide the Governor with a recommendation as to the qualifications of the candidate.
- Conduct an objective, clinically appropriate, and metric-oriented medical inspection program to periodically review delivery and quality of medical care at each State prison.
- Maintain a statewide intake function to receive communications from any individual regarding allegations of improper activity within the CDCR, and initiate a review of improper activity.
- Assess retaliation and whistleblower complaints submitted by CDCR employees against a member of CDCR management.
- Chair and direct the California Rehabilitation Oversight Board (C-ROB) within the OIG. Conduct biannual C-ROB meetings to examine CDCR's various mental health, substance abuse, educational, and employment programs for inmates and parolees.
- Review the mishandling of sexual abuse incidents within correctional institutions, maintain the confidentiality of sexual abuse victims, and ensure impartial resolution of inmate and ward sexual abuse complaints.

Through its various monitoring functions, the OIG continues to provide value to the State and transparency to the functioning of the CDCR. Office of the Inspector General staff continue to maintain a

daily presence within the State's prisons and juvenile facilities, conducting real-time monitoring and recommendations to improve correctional operations while protecting the interests of the taxpayers.

RISK ASSESSMENT PROCESS

The OIG performed the risk assessment using a control self-assessment process. The Inspector General initially discussed the SLAA reporting requirements and the risk assessment process with members of the OIG management team and asked that the management team reflect on the risks inherent within the business objectives for which they are responsible. The OIG then asked each unit manager(s) to identify existing conditions presenting potential risks that could prohibit the OIG from meeting its current business objectives and responsibilities using the risk aggregation worksheets provided by the Department of Finance. The executive management team then worked with the various units to define the existing mitigating controls, or planned implementation, that mitigates the risk.

The management team identified five significant risk factors and corresponding controls, which were documented on a risk assessment matrix tool for further assessment by the executive management team. The risks were analyzed, giving special consideration to ongoing changes both within the OIG and outside of the organization.

EVALUATION OF RISKS AND CONTROLS

Operations- Internal- Staff—Key Person Dependence, Succession Planning

There will be a significant number of retirements in the coming year, which has the potential to result in a loss of institutional knowledge and experience, as well as increase workloads and affect productivity while new employees are hired and trained.

The OIG provides on-the-job training, mentoring, and utilizes acting positions to identify and attract well-qualified candidates. By providing on-the-job training, experienced staff are able to share their knowledge with new employees and ensure stability within the units. Acting positions and mentoring help to ensure that potential incumbents are well prepared and able to transition seamlessly into new positions.

The OIG has a cross-training program and staff are regularly rotated throughout the agency's units, which works to ensure that each employee is capable of performing multiple assignments within the organization.

Operations- Internal- Resource Management

The OIG has a significant number of employees who carry excessively high leave balances, which can create a financial liability to the OIG in the event of retirement and delay replacement in the position due to budgetary constraints.

Employees who are carrying leave balance in excess of 640 hours are required to have leave reduction plans on file. Supervisors are required to monitor and enforce leave reduction plans, which are then reviewed on a quarterly basis by the executive team.

Operations- External- FI\$Cal Conversion

The implementation of FI\$Cal compromises the OIG's ability to pay for critical operating expenses.

The OIG is operating a dual system for CAL-Card payments to ensure there is no delay in payment due to technological glitches or lapses in communication among control agencies.

The OIG is having ongoing communications with the State Controller's Office and seeking additional training opportunities for staff.

Reporting- Internal- Information Communicated—Inadequate, Inaccurate, Misinterpreted, Untimely

The OIG's medical inspection program is undergoing extensive changes to enhance the OIG's ability to evaluate the quality of medical care being provided to inmates within the State's adult institutions. Medical inspections include compliance testing and clinical case reviews, which has created a longer and more complex internal report preparation process. Medical inspection reports require extensive time to prepare, which may impact the OIG's ability to ensure inspection results are published timely.

The OIG is implementing a new organizational model to streamline the medical inspection report process. The agency will designate a report coordinator for each inspection who will be responsible for ensuring the accuracy and timeliness of each report.

Operations- Internal- Physical Resources—Maintenance, Upgrades, Replacements, Security

The OIG maintains a vehicle fleet to facilitate staff's real time monitoring of CDCR's institutions, camps, and juvenile facilities. Many CDCR locations are hundreds of miles away from the regional offices. As a result, the majority of the fleet vehicles are reaching high mileage, increasing the risk of mechanical failure, which has the ability to seriously impact the OIG's ability to carry out its mission.

The OIG evaluates its vehicle utilization and monitors vehicle usage to ensure maximum utilization.

The OIG is managing the fleet to ensure that replacement vehicles can be purchased as needed.

ONGOING MONITORING

Through our ongoing monitoring processes, the Office of the Inspector General reviews, evaluates, and improves our systems of internal controls and monitoring processes. As such, we have determined we comply with California Government Code sections 13400-13407.

Roles and Responsibilities

As the head of Office of the Inspector General, Robert Barton, Inspector General, is responsible for the overall establishment and maintenance of the internal control system. We have identified Jana Boccalon, Staff Services Manager I, as our designated agency monitor(s).

Frequency of Monitoring Activities

Ongoing monitoring evaluations will be conducted on a monthly basis, and results will be updated accordingly.

Reporting and Documenting Monitoring Activities

The designated agency monitor is responsible for performing ongoing monitoring functions, which includes meeting with unit managers on a monthly basis. Monitoring results will be communicated to the management team as a standing agenda item during the OIG's bi-weekly management team meetings. Monitoring results will be captured and documented in the meeting minutes and distributed to management following the meeting. The designated agency monitor is also responsible for updating the risk assessment matrix to track and record ongoing monitoring activities.

Procedure for Addressing Identified Internal Control Deficiencies

The designated agency monitor will report any deficiencies directly to the OIG's executive team by email. Deficiencies will be addressed immediately or as soon as possible depending on the nature of the deficiency.

CONCLUSION

The Office of the Inspector General strives to reduce the risks inherent in our work through ongoing monitoring. The Office of the Inspector General accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies. I certify our systems of internal control and monitoring processes are adequate to identify and address material inadequacies or material weaknesses facing the organization.

Robert Barton, Inspector General
Office of the Inspector General

cc: Department of Finance
Legislature
State Auditor
State Library
State Controller
Secretary of Government Operations