

December 22, 2023

Joe Stephenshaw, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Director Joe Stephenshaw,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Office of the Inspector General 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 Thao Truong, Deputy Inspector General, at (916) 417-0522, truongt@oig.ca.gov.

GOVERNANCE

Mission and Strategic Plan

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. In 2011, a series of legislative actions refined the statutory mandates, and in 2019 legislative actions expanded the OIG authority and monitoring activities. 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. The OIG's primary responsibilities include the following:

- Provide contemporaneous oversight of internal affairs investigations regarding alleged employee misconduct and the disciplinary process of the CDCR.
- Provide contemporaneous oversight of the CDCR's process for reviewing and investigating incarcerated persons' allegations of staff misconduct.
- Monitor CDCR's process for reviewing use-of-force incidents at institutional and departmental levels and monitor critical incidents at institutions and facilities or involving its staff, such as uses of deadly force and large-scale riots.
- Review the qualifications and backgrounds of the Governor's candidates for appointment to serve as wardens in the state's prisons 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.
 - Review the mishandling of sexual abuse incidents within correctional institutions, maintain the confidentiality of sexual abuse victims, and ensure impartial resolution of sexual abuse complaints.
 - Perform audits and reviews of departmental policies, practices, and procedures by providing objective analysis, findings, and conclusions to assist the department in improving its operations.
 - Chair and direct the California Rehabilitation Oversight Board (C-ROB). Conduct biannual C-ROB meetings to examine CDCR's various mental health, substance abuse, educational, and employment programs for incarcerated persons and parolees.
 - Periodically review the delivery of the reforms the CDCR identified in its 2012 initial *Blueprint* report and its updated report in 2016.

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 providing recommendations to improve correctional operations while protecting the interests of the taxpayers.

Control Environment

The OIG's management has an effective control environment in various manners, but especially by emphasizing to the agency's employees the importance of integrity in fulfilling the agency's mission and also by maintaining a competent workforce. Foremost, OIG management instills in the office's employees the importance of integrity and ethical values, especially given the OIG's mission in overseeing the operations of the CDCR and providing transparency of those operations to the public. In fact, the first sentence of the OIG's Administrative Policy Manual, which all employees are required to read and acknowledge in writing, is that the "mission of the Office of the Inspector General is to promote integrity in the state's correctional system. Every employee of the Office of the Inspector General has a critical responsibility to maintain the public trust necessary to accomplish the OIG's mission." The head of the agency, the Inspector General, works very closely with her executive team to effectuate this goal and oversees the work of the office's employees. Furthermore, the Inspector General maintains an open line of communication with her employees. The OIG is organized by areas of responsibility such as Medical Inspections or Information Technology and has established supervisors and managers over each area. The OIG publishes its Administrative Policy Manual and organizational chart on its internal network.

To further establish an effective control environment, the OIG places emphasis on maintaining a competent workforce. Due to nature of the agency's work, most OIG employees, especially its attorneys, physicians, nurses, and inspectors, join the agency with years of experience in their chosen field. The OIG conducts an extensive internal on-the-job training program and sends its employees to trainings with outside vendors to maintain and increase competency and proficiency. Also, OIG supervisors and managers provide recurring assessment of employee work performance on a regular basis, including in probation reports, performance appraisal summaries, and regular meetings.

Information and Communication

The OIG publishes reports, provides interactive graphics, and fact sheets on its website to communicate and share information with external stakeholders. The OIG has recently expanded its public reporting to include monitoring of "case blocks" that identify a factual summary of an incident, the disposition or CDCR's resolution of the case, and an overall assessment or case rating.

Employees have various avenues within the agency to report any perceived violations of law, regulation, or policy, as well as breached standards of ethics and integrity. Employees may report this information to supervisors, managers, the office's Legal Unit, or directly to the executive team. The information is then reviewed by appropriate staff, the agency develops a plan of action in response to the information, and the agency's actions are documented and preserved in accordance with best practices. Additionally, employees may report this information to outside entities, such as the State Personnel Board and California State Auditor.

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 the Inspector General monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Charles Rufo, Deputy Inspector General, Senior; Thao Truong, Deputy Inspector General; Amarik Singh, Inspector General.

To ensure the effectiveness of internal controls, OIG managers and supervisors are responsible for reviewing staff work routinely to ensure compliance with laws, regulations, and policies, and to mitigate risk. Supervisors use comparative statistics and performance metrics for their area of responsibility to identify issues and adapt work processes and staffing as needed. The executive monitoring sponsors work directly with executive staff to collaborate on trends and adequately assess any new or on-going risks to the agency.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Office of the Inspector General risk assessment process: executive management, middle management, front line management, and staff.

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

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, and tolerance level for the type of risk.

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 leadership team (managers and supervisors) and asked that the leadership team reflect on the risks inherent within the business objectives for which they are responsible. The executive monitoring sponsors then asked the manager(s) or supervisor(s) of each unit 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 monitoring sponsors and executive leadership then reviewed the identified risks. The executive leadership team also reevaluated previously reported risks to determine if they are still risks to the agency today.

RISKS AND CONTROLS

Risk: Staff Key Person Dependency

Certain employees within the OIG possess a high degree of technical knowledge and institutional experience regarding critical OIG functions and operations. The potential loss of these key staff members who possess institutional knowledge critical to accomplish agency objectives places the agency's operations at risk should they choose to move on to other opportunities or to retirement. Moreover, these employees occupy positions that can be difficult to recruit, as their class specifications typically require many years of experience to meet the minimum qualifications.

Control: Cross Training

The OIG will transition from a culture of knowledge silos to one of knowledge sharing, encouraging cross-training programs within individual teams and across units with similar work functions. OIG will encourage and coordinate a program for staff member rotations or unit workload rotations to mitigate risks of depending on a single subject matter expert for critical tasks.

Control: Sharing Workload

The OIG will distribute workloads according to job duties and positions in a manner that requires each employee to understand both their own role and the roles of their colleagues in similar classifications. The OIG will also encourage staff to rotate job duties through internal transfers within the same job classification when possible.

Control: Updated Desk Manuals

The OIG will continuously update desk manuals for all units to ensure tasks and procedures are current for new staff members. Supervisors and managers will be required to review and update their unit's desk manual on an annual basis and provide updates by February 1st.

Risk: Staff Recruitment and Staffing Levels

The OIG received a significant increase of authorized positions during fiscal year 2022-2023 to increase its monitoring of CDCR's process for reviewing incarcerated persons' allegations of staff misconduct, primarily in the attorney and special assistant inspector general classification. Due in part to prior low staffing levels in the Human Resources Unit, and the difficulty of recruiting individuals who possess the required experience, the timeline to fill these vacant positions has been slower than anticipated.

Control: Contract With Third Party Entities to Help Hiring

The OIG recently signed a two-year contract with a human resources contractor to increase the speed of the recruitment and hiring process for high priority recruitments.

Control: Standardizing Positions to Help Increase Candidate Pool

The OIG is in the process of converting its agency-specific classifications to broader statewide classifications, where possible, to increase its candidate pool, as the statewide hiring lists attract a greater number of applicants.

CONCLUSION

The Office of the Inspector General 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.

Amarik Singh, Inspector General

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