

November 21, 2025

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, 2025.

Should you have any questions please contact Ryan Baer, Assistant Chief Deputy Inspector General, at (916) 680-1587, Baerr@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's authority and monitoring activities. The OIG's legal authority can be found in Penal Code sections 2641 and 6125-6133.

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 selecting 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.
- Monitor the department's response to allegations that CDCR staff engaged in sexual misconduct with an incarcerated person. In limited situations, the OIG may also exercise its discretion to investigate allegations that CDCR staff engaged in sexual misconduct with an incarcerated person.
- Serve as the ombudsperson for complaints related to the Sexual Abuse in Detention Elimination Act (SADEA); review allegations of mishandled sexual abuse investigations within adult institutions.

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, conducting real-time monitoring and providing recommendations to improve correctional operations while protecting the interests of taxpayers.

Control Environment

The OIG's management has various mechanisms in place to ensure an effective control environment. 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. 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 the nature of the agency's work, most OIG employees, including 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 train with outside vendors to maintain and increase competency and proficiency. OIG supervisors and managers also provide recurring assessments 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 and fact sheets on its website to communicate and share information with external stakeholders. The OIG has recently expanded its public reporting to include "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 Equal Employment Opportunity Officer, the Legal Services Unit, or directly to the executive team. After receiving a report identifying a perceived violation, appropriate staff review the information, 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: Ryan Baer, Assistant Chief Deputy Inspector General; David Bohrer, Senior Management Auditor; Scott Smith, Associate Management Auditor.

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: Aging Information Technology Infrastructure

The OIG's aging Information Technology infrastructure and applications put the OIG at risk of operational interruptions. This may lead to staff relying on manual processes to complete certain tasks, which can increase the likelihood of errors. The OIG also does not currently have a plan in place to implement and manage Artificial Intelligence capabilities that are rapidly changing the technology environment.

Control: Upgrade Infrastructure

The OIG's Information Technology Unit will evaluate and identify the need to upgrade systems and applications to support the agency's operational needs. This includes hiring staff with the knowledge, skills, and abilities to support this effort, and partnering with vendors to assist with our technology needs, such as migrating data to the cloud environment.

Control: Adapt to Artificial Intelligence

The OIG will work to identify where Artificial Intelligence Technology can be used within our technology environment to provide efficiency to the agency.

Risk: Staff Recruitment and Staffing Levels

The OIG has low staffing levels in some units, which could affect our ability to carry out our monitoring requirements. Recent state budget shortfalls have required the OIG to hold certain allocated positions vacant to ensure the agency does not exceed its

budgeted funding. The OIG needs to fill these positions to ensure we comply with monitoring activities mandated by legislation.

Control: Recruit for Positions

The OIG's Human Resources Unit will work with OIG units and teams to recruit and fill positions to ensure we meet our monitoring mandates.

Control: Monitor the OIG's Budget

The OIG's administrative staff will carefully monitor the agency's spending to maximize the number of positions that can be filled without exceeding the agency's budget.

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