

December 23, 2019

Keely Martin Bosler, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Ms. Keely Martin Bosler,

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, 2019.

Should you have any questions please contact Riley Viveiros, Associate Deputy Inspector General , at (916) 255-1176, viveirosr@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 and the disciplinary process of the CDCR.
- Monitor use-of-force reviews conducted by CDCR and respond 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). 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.
- Perform audits and reviews of departmental policies, practices, and procedures.
- Monitor inquiries the department performs in response to inmate allegations of staff misconduct.

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.

Control Environment

The OIG management has an effective control environment in various manners, but especially by emphasizing in 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 California Department of Corrections and Rehabilitation 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 his executive team to effectuate this goal and oversees the work of the office's employees. Furthermore, the OIG maintains an open line of communication with its employees. Employees have various venues within to report any violations or perceived ethical violations or breaches of integrity. Employees may report this information to supervisors, managers, the office's Legal Unit, or directly to the executive team. This information is then documented in order to appropriately resolve the matter. Additionally, employees may report this information to outside entities, such as the State Personnel Board.

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, 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 in order to maintain and increase competency and proficiency. To further this goal, the OIG is in the process of finalizing an academy for employees in order to maintain and increase staff competency. 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 Headquarters Team collects internal and external comparative statistics and performance metrics that are shared with supervisors and managers weekly. Any emerging risks are then discussed and addressed at weekly executive team meetings and at monthly leadership team meetings. The executive monitoring sponsor also conducts detailed monitoring evaluations on a semi-annual basis and determines if change is needed to ensure results meet expectations.

The executive monitoring sponsor will report any deficiencies directly to the OIG's executive team by email. The OIG's executive team will address the deficiencies immediately or as soon as possible depending on the nature of the deficiency. Upon notice of the deficiency, the Inspector General will assign an action officer to investigate, recommend corrective action, and follow up after correction.

Employees can also report inefficiencies and inappropriate actions to their supervisor, who will make all efforts to address the issue(s). All issues can be elevated to the next level of management, or to executive management, if deemed necessary by the manager or the reporting employee.

For each of the OIG functions, there is an established point of contact between the OIG and the stakeholder(s). It is the duty of the OIG point of contact to ensure all communications are efficiently and accurately shared with all relevant staff, and when necessary, are addressed collaboratively and in a timely manner. Executive OIG staff engages in standing meetings with external stakeholders. Additionally, the OIG Public Information Officer frequently interacts with outside stakeholders to address any requests or inquiries. Further, we regularly issue public reports relaying our observations and conclusions.

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:
Roy W. Wesley, Inspector General; and Riley Viveiros, Associate Deputy Inspector General .

The Headquarters Team collects comparative statistics and performance metrics for each unit that are shared with supervisors and managers weekly. Weekly distribution of the metrics ensures accountability among managers and executive staff, and ensures managers and executive staff are made aware of potential agency risks.

The executive monitoring sponsor is part of the Headquarters Team and works directly with executive staff and the Deputy Inspector General, Senior assigned to monitoring metrics to collaborate on trends and adequately assess any new or on-going risks to the agency. If new risks or increasing risks are identified, then the executive team is immediately notified by email for appropriate action to be taken.

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, external stakeholders, questionnaires, 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 sponsor 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 sponsor and the executive leadership team then ranked the identified risks and defined the existing mitigating controls, or planned implementation, that mitigates the risk. Changes in policy and OIG monitoring activities also lead the executive leadership team to reevaluate previously reported risks to determine if they are still risks to the agency today.

RISKS AND CONTROLS

Risk: Limited Facility Space

The OIG has acquired new mandates establishing two new units within the agency.

The new units include a total 21 new, full-time staff positions throughout all three regions.

The OIG does not currently have the facility space to accomodate the new staff.

Control: Alternative Facility Space Options

The OIG is currently researching facility space options, including, but not limited to acquiring an additional office building, or a larger, alternative office space. Either option would allow the OIG to accomodate the new staff.

Risk: New OIG Mandates

The OIG has acquired new mandates establishing two new units within the agency.

The newly established units do not yet have the staff, established infrastructure, or procedures to fulfill new mandates.

The lead time to recruit staff, and establish infrastructure and procedures, may impact the OIGs initial operational capability.

Control: Procedure Development

The audit team supervisors have been appointed and are developing a framework to implement future OIG special reviews.

Control: Recruitment

The OIG is recruiting for all open positions.

Risk: Diverted Resources for Software Implementation

The OIG plans to obtain and implement new data management and analysis software across a variety of units.

The newly established units will require modernized software.

New software implementation will divert resources such as staff time and allocated budget from the OIG's normal business operations.

Control: Staff Training

The OIG intends to provide training to staff on new software products. By providing staff training in new software, the OIG will increase efficiency and reduce the impact of diverted resources.

Control: Phased Deployment

The OIG intends to deploy the new software in phases. This approach allows the OIG to apply lessons learned and best practices to future phases, thus improving overall efficiency and reducing the impact to our business operations.

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.

Roy W. Wesley, Inspector General

CC: California Legislature [Senate (2), Assembly (1)]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency