December 30, 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 Department of Corrections and Rehabilitation 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 Jana Sanford-Miller, Chief Risk Officer, at (916) 255-2700, Jana.Sanford-Miller@cdcr.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Department of Corrections and Rehabilitation (CDCR) operates California's incarceration system for the state's most serious adult and juvenile offenders. In total, CDCR oversees approximately 125,000 adult offenders and 764 juvenile offenders housed in various locations, along with over 51,000 offenders under community-based parole supervision. CDCR accomplishes its mission with over 63,000 employees and a 2019-20 fiscal year budget of approximately $12.7 billion.

The mission of CDCR is to enhance public safety through safe and secure incarceration of offenders, effective parole supervision, and rehabilitative strategies to successfully reintegrate offenders into the community. Critical business functions are carried out by the Division of Adult Institutions, Division of Adult Parole Operations, Division of Rehabilitative Programs, Division of Juvenile Justice, Board of Parole Hearings, Council on Criminal Justice and Behavioral Health, and the California Correctional Health Care Services (CCHCS). In addition, CDCR has various support divisions which provide essential services, such as budgeting, accounting, human resources, facilities management, information technology, and legal services.

The goals of CDCR are twofold and encompass:

Organizational Goals

- **Workforce Excellence:** Ensure a well-trained, high quality workforce.
- **Technology:** Develop an information technology strategy and implement systems capable of managing both current needs and anticipated growth.
- **Risk Management/Organizational Effectiveness:** Achieve organizational excellence in our operations and systems.
- **Legal Compliance:** Develop preventive strategies to preclude class action suits and remedy identified violations.

Programmatic Goals

- **Crime Prevention and Safety:** Develop a comprehensive crime prevention program and establish evidence-based research to determine the impact of offender programs within the institutions and community to reduce criminality and victimization.
- **Outreach, Partnerships, and Transparency:** Seek out partnerships and develop meaningful programs and processes to promote shared responsibility for community safety.
- **Health Care Delivery:** Ensure an organization design and accompanying systems to provide efficient delivery of quality health care.

CDCR's operations are built upon the following core values:

- **Service:** We serve and are responsible to the public. We value their trust and invite their involvement.
- **Leadership:** We serve as positive role models and foster an environment that supports a balance between professional development, professional job performance, and personal wellness.
- **Integrity:** We conduct ourselves professionally through fair, honest, and ethical behavior. We have the courage to do what is right, even in the face of adversity.
- **Accountability:** We accept responsibility for our actions and decisions as well as their consequences.
- **Respect:** We respect each other's differences and treat others with courtesy, dignity, and consideration.
- **Trust:** We are people of character. We keep our word and honor our commitments.
- **Collaboration:** We work with our stakeholders as partners to support mutual understanding of ideas and open exploration of our differences.

In partnership with CDCR, CCHCS operates under the direction of a United States District Court, Northern District of California (court) appointed Receiver. In 2006, the Receiver took control of CDCR's prison medical care and will retain control until the court finds that the State can maintain a constitutionally adequate prison medical care system. In January 2008, the Receiver submitted a "Turnaround Plan of Action" (Plan of Action) designed to effectuate the restructuring and development of a constitutionally adequate medical health care delivery system. The Plan of Action was approved by the court. The Receiver filed a report on March 10, 2015, titled "Receiver's Special Report: Improvements in the Quality of California's Prison Medical Care System", wherein he outlined the significant programs in improving the delivery of medical care in California's prisons and also the remaining significant gaps and failures that must still be addressed. The identified gaps are availability and usability of health information, scheduling and access to care, care management, and health care infrastructure at facilities.

CCHCS is required to maintain a standardized governance structure, driven by its Governing Body that consists of multidisciplinary leadership teams at headquarters and institutions. The mission of CCHCS is to reduce avoidable morbidity and mortality and protect public health by providing patients timely access to safe, effective, and efficient medical care; and integrating the delivery of medical care with mental health, dental, and disability programs.

Control Environment

The Department has specific regulations, departmental policies, and a code of conduct for employees to follow which ensures the mission and goals of CDCR are being met. It is the responsibility of management and supervisors to ensure each employee, regardless of classification, understands these expectations and to hold each employee individually accountable. Managers are expected to ensure that all employees under their supervision attend all required training and that employees are being provided timely probationary and annual performance evaluations. This allows for employees to be provided every opportunity to comply with the rules of the department.

The Division of Correctional Policy Research and Internal Oversight is the monitoring arm of CDCR and includes the following:

- **The Office of Appeals (OOA)** ensures the offender grievance and appeal process remains accessible, responsive, and meaningful. OOA performs institution audits and provides training to grievance staff.
- **The Office of Audits and Court Compliance (OACC)** provides an independent assessment on the adequacy and effectiveness of governance, risk management, and control processes; and assists the Department in complying with court-ordered remedial plans. Further, OACC enforces accountability through the tracking and monitoring of corrective action plans.
- **The Office of Civil Rights (OCR)** is responsible for ensuring Equal Employment Opportunity (EEO) exists for all applicants and CDCR employees, and to promote a professional work environment free from discrimination, harassment, and retaliation.
- **The Office of Correctional Policy Research (CPR)** is a comprehensive corrections policy research program to formulate, evaluate, modify, and implement CDCR correctional policy based on data driven research, analysis, and operational performance measurement.
- **The Office of Correctional Safety (OCS)** protects the public and serves the Department's investigative and security interests. OCS's functions include, but are not limited to, major criminal investigations and prosecutions. OCS also identifies and conducts trend and link analyses between criminal suspects and criminal enterprise organizations operating within California's correctional systems.
- **The Office of Internal Affairs (OIA)** investigates allegations of employee misconduct, including criminal investigations, administrative investigations, retaliation investigations, and allegation inquiries. OIA also administers the EEO program through the review and resolution of EEO-related allegations of misconduct.
- **The Office of Research (OR)** is responsible for producing a variety of reports, including projections of the adult, parole, and juvenile populations; statistical summaries of CDCR's populations; and recidivism reporting. The OR also facilitates external research requests and provides research-based information and data to CDCR administrators and correctional stakeholders.
- **The Peace Officer Selection and Employee Development (POSED)** is responsible for law enforcement recruitment, high quality training programs, and development opportunities for CDCR employees. POSED's duties include, but are not limited to, ensuring individuals are eligible to become CDCR peace officers and ensuring CDCR complies with departmental and statutory training mandates.

CCHCS is responsible for developing, implementing, and validating the health care systems within the State's correctional facilities to ensure patients receive constitutionally adequate medical care. CCHCS

has specific health care regulations, administrative policies, and all CCHCS employees are required to follow CDCR's code of conduct policies. All CCHCS management is responsible for monitoring and oversight of their employees and programs to ensure compliance and to ensure that goals and objectives are being met.

Key CCHCS monitoring and oversight activities are conducted by OIA, and the following:

- **Health Care Correspondence and Appeals Branch** is responsible for oversight and management of the statewide health care grievances and the patient health care inquiry process.
- **Internal Audit Program** provides an independent assessment on the adequacy and effectiveness of governance, risk management, and control processes.
- **Risk Management Branch** partners with stakeholders to develop health care regulations and operating standards and facilitates the evaluation and monitoring of health care programs.
- **Quality Management Program** supports continuous evaluation and change in order to improve patient outcomes, cost effectiveness, and efficiencies; and support the delivery of safe patient care.

Information and Communication

CDCR management reviews operational data reports on a frequent basis and raises notable questions and concerns. Members of CDCR's Cabinet hold ongoing discussions regarding concerns with their respective program areas and identify and assess risk areas. At least twice a year, CDCR's Cabinet will meet to discuss these risks and the corresponding corrective action plans. Their decisions and/or concerns will be communicated in writing to the CDCR Secretary.

Information and communication necessary to achieve CCHCS's objectives is communicated at all levels of management. Management and subordinates have individual meetings, staff meetings, and other programmatic meetings, as necessary. Information is shared with the Deputy Directors and Directors, as appropriate. At least weekly, all Deputy Directors and Director level staff meet at a leadership meeting where information is shared, as appropriate. CCHCS also hosts various conferences with management from institutions to share appropriate information necessary to achieve statewide and local objectives. Staff communication can involve memos, policies, procedures, and regulations sent to all staff or through program postings on Lifeline, such as Pharmacy and Therapeutics memos, which provides an archive of program information.

CDCR has multiple avenues it uses to share information with external stakeholders. CDCR's stakeholders include law enforcement agencies, community-based organizations, formerly incarcerated people, and families impacted by the criminal justice system, among others.

The Office of External Affairs (OEA) provides updates on CDCR policy and regulations changes to all stakeholders via email, conference calls, and in-person meetings as appropriate. OEA attends weekly CDCR Cabinet meetings, meets one-on-one monthly with the Secretary, and meets regularly with CDCR divisions and workgroups to stay informed of programs and initiatives, and coordinates stakeholder outreach accordingly. CDCR leadership, including the Secretary, attend quarterly board meetings of every major law enforcement organization in California. At these meetings, the CDCR representative provides an overview of Departmental updates.

Every other week, OEA compiles news about CDCR into the "Beyond CDCR" newsletter that is sent to all law enforcement partners, lawmakers, the Governor's Office, and various community members.

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 Department of Corrections and Rehabilitation monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Yulanda Mynhier, Director, Health Care Policy and Administration (CCHCS); and Jana Sanford-Miller, Chief Risk Officer.

The executive leadership team, consisting of directors from all of CDCR's program areas, meets weekly and monitors various operational and programmatic areas in an effort to achieve the goals of CDCR. Internal control deficiencies identified in the SLAA report will be monitored by the executive leadership team. Part of the team's monitoring responsibilities will include assessing corrective actions. Other internal control deficiencies, outside of SLAA reported areas, will be addressed through separate corrective action plans via existing CDCR processes. CDCR typically receives numerous external and internal reviews each year. These corrective action plans are reviewed by the CDCR Secretary and the appropriate program director.

CCHCS's risks and control activities identified in the SLAA report are monitored by CCHCS's executive leadership team. Additionally, internal control deficiencies requiring corrective action found as a result of internal or external audits, risk assessments, and reviews are tracked and monitored by management and CCHCS's Internal Audit Program.

The Receiver's Tri-Annual Report is filed three times per year, reflecting the status of compliance with the Plan of Action, remaining gap items, and specific programmatic status. Health care performance is monitored through the Performance Improvement Plan (PIP) process, where leadership considers the direction of quality improvement efforts and selects highest priority processes, patient populations, and resources to monitor and improve, which are reported in a biennial plan. The PIP's specific performance objectives are monitored for the duration of the plan in the monthly CCHCS Dashboard.

The Division of Correctional Policy Research and Internal Oversight created an enterprise risk management program within OACC to evaluate, develop, and implement policies, procedures, and projects as they relate to risk management. This unit's responsibilities include, but are not limited to, designing, developing, and maintaining CDCR's early warning risk identification system, which will include compiling and analyzing information and data to determine CDCR's level of compliance with departmental policies. Further, this unit will develop key risk and performance indicators to better understand and manage enterprise risks.

The OR is responsible for producing a variety of reports, including projections of the adult, parole, and juvenile populations; statistical summaries of CDCR's populations and recidivism reporting. The OR also facilitates external research requests and provides research-based information and data to CDCR administrators and correctional stakeholders.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Corrections and Rehabilitation 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, audit/review results, other/prior risk assessments, questionnaires, consideration of potential fraud, and other.

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

RISKS AND CONTROLS

Risk: Critical Infrastructure Systems

CDCR has an aging infrastructure amongst its 34 institutions, resulting in numerous facilities with a shortage of accessible housing, and infrastructure systems that are in disrepair, requiring significant improvements.

Most infrastructure systems are beyond the manufacturer's recommended useful life and were operated under high levels of crowding prior to 2011. Most have not been properly maintained because of staffing and budgetary deficiencies. CDCR has an obligation under the law to provide accommodations and support for its population with disabilities.

Failed infrastructure systems can lead to immediate unusable housing units or program buildings, and they can also disrupt the provision of basic services such as meals, health care, and rehabilitative programming; making unsafe conditions for staff and inmates. Failing to provide equal access to those with disabilities can increase litigation costs and the ability to meet court-ordered mandates under *Armstrong v. Newsom*, *Clark v. Newsom*, and *Coleman v. Newsom*.

Control: A

CDCR will continue to identify critical roof replacement needs and request resources utilizing existing State processes. CDCR will also provide guidance to prison plant managers on prioritizing maintenance on critical items, including roof leaks, and will provide guidance on preparations for winter weather conditions. CDCR initiated a master plan to address accessible housing needs and access to programs, services, and activities in 2012. Resources are necessary to complete additional design and construction to meet the ongoing needs of the program. Training for multidisciplinary staff on physical accommodations for the population with disabilities is needed. In order to provide accurate population accessibility needs and to accommodate staffing needs, it is necessary to initiate population projections based on disability code.

Risk: Suicide Prevention

CDCR recognizes how critical suicide prevention efforts are for protecting the individuals assigned to our institutions. CDCR strives to maintain a comprehensive and data-informed suicide prevention program. A number of initiatives in support of this program are being implemented, are underway, or have been completed in a sustainable manner. CDCR's suicide prevention initiatives have emerged

from many sources, both internal and external.

Thirty-four inmate suicides were reported within CDCR in 2018; the fourth consecutive year of increase in the number of inmate suicides. The 34 suicides in 2018 is the highest frequency of suicides in the department since 2012. Suicide rates are rising in the community and in other state prison systems, underlining both the current concern and challenges posed in preventing suicides and the need to continue working on solutions.

Control: A

CDCR will continue to improve upon its suicide prevention strategies to include the completion and accuracy of suicide risk evaluations (SRASHE), the completion of timely and appropriate treatment plans for patients in crisis, ensuring training in suicide prevention and response is completed by all staff members, adopting and monitoring recommendations made by the Office of the Special Master, reducing risk factors in CDCR associated with suicide, and enhancing a system of notifications to next-of-kin loved ones in the event of self-inflicted harm.

Risk: Inmate Grievance/Appeals

Under the California Code of Regulations, Title 15, Section 3084, incarcerated individuals under the jurisdiction of CDCR have the right to file grievances regarding departmental policies, decisions, actions, conditions, or omissions that have an adverse material effect on the welfare of inmates and parolees. Current regulations and processes have been questioned for bias. Because of this, CDCR is conducting a complete restructure and overhaul of regulations.

The current appeals process is a three-level approach that allows 27 reasons for the institutions and the OOA to cancel or reject a grievance or appeal. In addition, CDCR allows its institutions to use local prison supervisors to conduct inquiries of inmate allegations of staff misconduct. As such, this preliminary collection of evidence is assigned to staff that may complete these reviews in favor of their peers.

Control: A

To reduce bias and improve objectivity within the grievance and appeals process, CDCR is revising its regulations regarding administrative remedies for inmates and parolees. The current three-level approach will change to two levels, and reduce the reasons to cancel or reject a grievance or appeal from 27 to 5. CDCR is reassigning the responsibility of conducting allegation inquiries of potential staff misconduct made by offenders to the OIA.

Risk: Office of Civil Rights/EEO

CalHR developed the Discrimination Complaint Tracking System (DCTS) as a centralized system to allow CalHR's EEO officers to provide oversight of the discrimination complaint review process statewide. CalHR is requiring all departments to utilize DCTS for their EEO complaints and begin uploading specified complaints starting in January 2020.   CalHR has expressed concerns about the framework of CDCR's process, primarily related to the lack of oversight CDCR EEO officers maintain over field operations, and the potential inconsistencies inherent in a largely decentralized system.

Currently, an employee has the option of filing an EEO/discrimination complaint through the Local Intervention Process (LIP). The LIP includes EEO Counselors, who are responsible for receiving complaints from staff; and EEO Coordinators, who are responsible for analyzing complaints and recommending action. An EEO Coordinator is a volunteer, typically at the Correctional Administrator, Parole Agent III, or Staff Services Manager II level, who assumes the responsibility in addition to his or her regular duties. The EEO Coordinators may be peers or supervisors in the same unit as the employee filing the complaint.

In the LIP, the EEO Counselor schedules an intake interview with the complainant, conducts intake interviews, reviews applicable documents, and completes an Intake Interview Summary to forward to the EEO Coordinator. The EEO Coordinator reviews this information and prepares a recommendation for the hiring authority's review and disposition. Because the EEO Coordinator may investigate co-workers, there can be a perception of difficulty maintaining objectivity and impartiality while preparing a recommendation. Because discrimination complaint reviews are an addition to the EEO Coordinators' regular job duties, the information may not always be entered into the Statewide EEO Complaint Reporting Tool (SECRT).

Control: A

To comply with directives and guidelines from CalHR, reduce the risk of bias, and eliminate inconsistent findings amongst hiring authorities, CDCR will restructure its complaint process. CDCR is proposing to establish three regional offices under the OCR to address concerns regarding lack of oversight and potential bias. The regional offices will be responsible for reviewing complaints in their region. Once an EEO Counselor receives a complaint, he or she will submit the complaint to a dedicated OCR regional EEO Coordinator for analysis. The EEO Coordinators will enter the complaint into the DCTS, gather information, conduct interviews, review and analyze the complaint, and make recommendations to the hiring authority. After the hiring authority takes appropriate action, OCR will update and close the case in the DCTS.

Risk: Contraband Interdiction

CDCR has long recognized the ongoing epidemic of illegal drug use, trafficking, and contraband within its institutions. Persons entering CDCR institutions sometimes employ extraordinary means to smuggle drugs and contraband into the institutions, including secreting drugs and contraband in hidden pockets in clothing or in body cavities. The importing, trafficking, and use of drugs and contraband pose many problems in an institutional setting, including an increase in inmate violence, power struggles within the inmate population, establishment of an underground economy, inmate overdoses, and staff corruption.

Control: A

CDCR implemented a two-year limited term Contraband Interdiction Program (CIP) pilot at the California Substance Abuse Treatment Facility and State Prison, Corcoran (SATF). The program employed a staffing complement to operate scanning technologies at the front entrances, expand SATF's canine teams, conduct enhanced vehicle and institution searches, and institute a Medication-Assisted Treatment program to respond to the opioid crisis.

Control: B

CDCR and CCHCS are rolling out comprehensive enhancements to better treat substance use disorder (SUD) among California's prison population. Successful implementation of a fully Integrated Substance Use Disorder Treatment (ISUDT) program will improve the health of the population, help make facilities safer for all who work and live in them, increase the potential for successful rehabilitation programming, and smooth the reintegration of the population as they return to their home communities. This organizational shift will create a fully interdisciplinary case-management team for those receiving treatment for SUD while providing whole-person-support for health care, education, cognitive behavioral interventions, programming, parole, and community integration.

Risk: Data Security

Technology is being leveraged and integrated into every aspect of CDCR operations, increasing efficiency in the delivery of the agency missions. Increased use of technology raises the likelihood of abuse by internal and external threats to CDCR's data. As potential threat actors discover new ways to exploit future technology, such as tablets, kiosk email, and online services, CDCR should concurrently invest in cyber security to mitigate modern-day threats and maintain an acceptable level of safety and security throughout the rehabilitative mission. Cyber security investments include high-tech crime investigation experts to handle incidents of abuse and to more quickly discover and recover when technology is abused inside the institutions. Additionally, phishing is a common attack vector used by external parties. CDCR needs to increase security awareness and cloud email filtering solutions. Consequences of not addressing the risk could include data breaches and accompanying criminal uses of the data and technology.

Control: A

The CDCR Information Security Officer (ISO) has increased staffing by eight personnel and has initiated projects addressing vulnerability identification, advanced endpoint detection and response, and email phishing solutions.

Risk: Outdated Incompatible Technology/EI Systems

Enterprise infrastructure systems (information technology network components, radios, and phone systems) across the department's facilities are 6 to 25 years old. Because of the age of equipment, the systems are at risk of failure and lack the capacity to implement the increasing number of modern technology solutions to support the additional offender services offered in new areas within CDCR facilities.

Infrastructure components form the backbone upon which CDCR mission critical functions perform. Failure in radio systems would leave institution and parole staff without the critical communication tools they need. Failures in institution phone systems would put staff and offenders at risk by interrupting communication and eliminating the functionality of "off the hook" alarms. Failure of the information technology (IT) infrastructure will leave CDCR staff at institution, parole, and administrative locations without mission critical systems which contain the information and tools necessary to conduct safe, secure business.

Control: A

Enterprise Information Services (EIS) is in the process of planning a proactive maintenance and enhancement program for technology infrastructure.

Risk: Disaster Recovery Equipment

Many key applications lack disaster recovery equipment, locations, and processes, putting CDCR at risk for interruptions of critical processes and high financial costs. Severe lapses in the delivery of services that the systems provide could diminish confidence in CDCR and impact accomplishment of CDCR's strategic goals. In the event of a disruption, a significant delay would occur in real-time processing of inmate information. In that event, a paper process would be necessary to bridge the gap until the system could be restored. Decision making could be hindered, resulting in compromised health and safety of inmates and staff.

Control: A

EIS is in the process of establishing disaster recovery plans across its IT portfolio. This includes the Strategic Offender Management System (SOMS), Business Information System (BIS), an improved state email solution, redundant storage to shorten recovery times to appropriate levels, and deployment of new telephone and radio systems.

Risk: Case Records, Release Date Calculations

Programming automated release date calculations accurately is a challenge because of the complexities of sentence calculation. After the introduction of multiple new business rules to support Proposition 57, the SOMS sentence calculation module has become fragile. The currently generated release dates have to be validated with manual calculations. The SOMS team is currently working on a Rules Based Engine that will be used to calculate offender release dates. Release date calculations must be accurate. Release of inmates prior to serving their full term, or holding inmates past their release dates, could result in legal ramifications and public safety concerns.

Control: A

Programming of the Rules Based Engine "InRule" is currently under way and is calculating offender release dates correctly. The tool is also showing that new rules or rule modifications are easy to make and apply to the overall sentence calculation.

Risk: Fleet Assets

CDCR maintains a fleet of nearly 8,200 vehicles and other fleet assets. CDCR's fleet includes vehicles for emergency and routine medical transportation, fire protection, monitoring and apprehending parolees, supporting construction activities, providing institution perimeter security, and a variety of other operational needs. CDCR identified 2,044 fleet assets, approximately 25 percent, as being in the high priority category for replacement. These assets are found to be old with high mileage, and they are in very poor mechanical or physical condition. CDCR risks unnecessary costs and safety concerns if it does not have the appropriate number of operational vehicles. The Division of Adult Institutions finds that if this critical risk is unaddressed, it will severely impact its ability to provide inmates with

access to health care and court-ordered appearances.

Without dedicated funding, CDCR is unable to replace aging assets that may be in poor condition and have high mileage. Antiquated assets meeting or exceeding DGS-recommended thresholds for replacement present a risk to the Department's ability to perform mission-critical functions, potentially jeopardizing the health and safety of employees, inmates, and the public.

Control: A

CDCR's Office of Business Services completes an annual inventory of fleet assets and conducts a replacement analysis, based on factors such as mileage, age, condition, function, and type of vehicle. The analysis results in a replacement priority of high, medium, or low. This activity only reduces the risk if CDCR has funding available to replace fleet assets. However, CDCR has limited resources available to replace vehicles that have exceeded their life span; therefore, a long-term sustainable solution is required. CDCR will replace the highest priority assets with available funding, temporarily reducing the number of assets in the highest priority category.

Risk: Data Security

CCHCS is engaged in automating its business processes to achieve necessary strategic goals in improving the efficiency of health care delivery. Because of CCHCS's business complexity and the size of its information technology infrastructure, coupled with the increased demand of mobile and cloud computing, CCHCS faces increased cybersecurity risk challenges. These conditions increase the opportunity for external and internal cyber thefts that could result in the breach of sensitive and/or protected information. Such risks, if realized, could cause unwanted distress to the impacted individual, resulting in civil lawsuits against the organization. In addition, the continual sharp increase of federal and State information privacy laws places CCHCS at risk of being out of compliance. Noncompliance findings could result in significant federal and State penalties levied against CCHCS.

Control: A

CCHCS continues to automate its business processes relying heavily on mobile and cloud computing. This increases the demand for qualified IT staff and specialized tools to address unauthorized access and cyber thefts. CCHCS is collaborating with CDCR to address cybersecurity risks, which include addressing findings from internal and external reviews and strengthening processes around access.

By June 30, 2020, CCHCS will establish the processes necessary to manage and monitor the privileged account permissions in place to improve CCHCS strategic goals and decrease the risk of noncompliance and cybersecurity threats.

Risk: Resource Limitations

CCHCS produces, accesses, and releases to business associates protected health information (PHI). CCHCS' limited resources to develop internal controls around PHI increases the risk of noncompliance with federal and State laws. Failure to develop robust policies and oversight activities over access of PHI increases the risk of unauthorized access that could cause harm to individuals whose data is disclosed. Furthermore, noncompliance with laws, policies, and procedures puts CCHCS at risk for

significant fines and potential liability because of litigation.

Control: A

The CCHCS Privacy Office (PO) establishes and sustains a governance and oversight model for privacy-related policies, standards, risk management, and compliance. The PO will establish a formal Plan of Action to ensure privacy-related risks and compliance issues are identified, tracked, and addressed timely.

By June 30, 2020, CCHCS will establish a formal Plan of Action with estimated completion dates based upon available resources, breadth of implementation, and other competing priorities.

Risk: Workforce and Succession Planning

CCHCS is at risk of losing institutional knowledge because of the high number of staff who are eligible for retirement within the next few years, especially in key leadership positions. Furthermore, new staff at CCHCS may not have sufficient knowledge to perform at the same level of their retiring predecessors. CCHCS' workforce includes many highly skilled professionals, including physicians, psychiatrists, nurses, and highly technical administrative staff working on complex workloads. Many of these civil service classifications are unique and add a layer of complexity to knowledge transfer and workforce succession planning efforts.

Control: A

CalHR approved the CCHCS succession plan, but the workforce plan is still in progress. CCHCS' Human Resources is developing a workforce and succession implementation plan. The plan includes, but is not limited to, hiring permanent staff in key positions, developing a leadership program that management commits participation, building out classifications to ensure a feeder plan is in place for all key leadership positions, and establishing a robust monitoring program.

By June 30, 2020, CCHCS will have a completed workforce plan which will include plans to conduct gap analysis to determine areas of need between current and future workforce needs, define risk levels for classifications, and link to current and future organization initiatives. In addition, the plan's purpose is to ensure critical/leadership positions have strategies in place to capture and share departmental knowledge. Lastly, the plan will evaluate readiness of programs and institutions for adoption of a succession management program.

Control: B

CCHCS has secured a contractor, Merritt Hawkins, to assist in the recruitment of Psychiatrists. By December 31, 2019, CCHCS plans to assess strategies and success of the contract on a weekly basis with the contractor, assess current hiring practices, and identify opportunities to maximize the recruitment process to develop biweekly reports for communication to executive leadership on the progress of recruiting and maintaining qualified Psychiatrists.

Control: C

CCHCS will engage and work with marketing firms to develop a cohesive recruitment marketing concept specifically designed to attract Psychiatrists to correctional health care.

CONCLUSION

The Department of Corrections and Rehabilitation 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.

CDCR constantly monitors itself and takes aggressive corrective actions to resolve internal deficiencies while maximizing compliance in all areas. Through CDCR's executive leadership team, and with the assistance of internal and external oversight, CDCR continually updates processes to mitigate high-risk factors, including those described in this report. As necessary, executives will allocate resources to best evaluate and monitor the goals, objectives, and strategies targeted. Similarly, CCHCS strives to reduce risks inherent in our work environment and accepts the responsibility to continuously address risks and improve mitigation strategies.

Ralph M. Diaz, Secretary

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