

December 31, 2019

Wade Crowfoot, Secretary
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Dear Mr. Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Forestry and Fire Protection 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
Windy C. Bouldin, Chief, Office of Program Accountability, at (916) 327-3993,
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GOVERNANCE

Mission and Strategic Plan

The California Department of Forestry and Fire Protection (CAL FIRE) serves and safeguards the people and protects the property and resources of California.

CAL FIRE is an emergency response and resource protection Department. More than 8,000 fire professionals, foresters, and administrative employees of CAL FIRE, along with thousands of volunteers, inmates, and wards, are responsible for protecting over 31 million acres of California's privately-owned wildlands. The Department also provides varied emergency services in 36 of the State's 58 counties via contracts with local governments.

CAL FIRE strives to be the leader in providing fire prevention and protection, emergency response, and enhancement of natural resource systems. Beyond its wildland fire fighting role, CAL FIRE responds to a varying array of automobile accidents, medical aids, swift water rescues, civil disturbances, search and rescues, hazardous material spills, train wrecks, floods, and earthquakes. Because of CAL FIRE's size and major incident command experience, the Department is often asked to assist or take the lead in disasters.

CAL FIRE's values (i.e., service, cooperation, protection, and organizational excellence) reflect the culture and are intrinsic in how public service duties are performed. Employee diversity and dedication play an integral role in meeting the mission through action and support of fire protection, resource management, and fire prevention.

CAL FIRE's diverse programs work together using ongoing assessments of the condition of natural resources and the challenges of an increasing population to plan protection strategies for California. CAL FIRE's 2019 Strategic Plan outlines four goals and several objectives it aims to achieve by the year 2023:

- Goal 1 – Improve Core Capabilities
 - Analyze and integrate core operations functions at all levels of the Department
 - Evaluate and improve existing emergency response capabilities
 - Expand forestry and fire prevention through effective natural resource management programs, education, inspections, and land use planning
 - Strengthen post-incident assessments to create long-term improvements
- Goal 2 – Enhance Internal Operations
 - Analyze business support functions and improve operational efficiencies
 - Define and effectively manage internal communication processes
 - Review and update communication processes to all external stakeholders
 - Create a secure, responsive, and integrated user-centric technology culture
 - Manage fiscal challenges to ensure adequate funding for critical programs
- Goal 3 – Ensure Health and Safety
 - Promote employee behavioral health and physical fitness
 - Promote the safety of Department employees, partners, and the public
- Goal 4 – Build an Engaged, Motivated, Innovative Workforce
 - Address skill gaps and barriers through creative outreach and recruiting
 - Create and implement detailed training plans for all Department employees
 - Retain the Department workforce through purposeful engagement

Operationally, CAL FIRE is divided into Northern and Southern Regions, with Regional Operation Centers in Redding and Riverside, and Regional Headquarters in Santa Rosa and Fresno. The two regions coordinate with the 21 operational units located throughout the State.

CAL FIRE's mission emphasizes the management and protection of California's natural resources. The Department also protects and preserves timberlands, wildlands, and urban forests. This is accomplished through ongoing assessments and study of the State's natural resources and a variety of programs, including, but not limited to, several forestry assistance and grant programs. CAL FIRE's Resource Management program is an integral part of this responsibility. CAL FIRE also oversees enforcement of California's forest practice regulations which guide timber harvesting on State and private lands. CAL FIRE manages eight Demonstration State Forests that provide public recreation, forest research, and demonstration of good forest management practices.

Additionally, the Office of the State Fire Marshal (OSFM) supports the protection of life and property through engineering, enforcement, and education. The OSFM provides support through a wide variety of fire safety responsibilities including, but not limited to, regulating buildings in which people live, congregate, or are confined; by controlling substances and products which may, in and of themselves, or by their misuse, cause injuries, death and destruction by fire; by providing statewide direction for fire prevention within wildland areas; by regulating hazardous liquid pipelines; by developing and reviewing regulations and building standards; and by providing training and education in fire protection methods and responsibilities.

The Department's Management Services provides administration and leadership through policy direction and a variety of program support services necessary for the successful completion of the Department's mission. Management Services' central support services are focused around accounting, budgeting, business services, human resources, labor relations, information technology, and technical services.

The Department's Professional Standards Program (PSP) provides consistent and standardized guidance to all CAL FIRE employees, including managers, supervisors, and future leaders in the areas of hiring, on-boarding, employee behavior, leadership, investigations, and progressive discipline.

The Equal Employment Opportunity (EEO) program is designed to prevent and remedy discrimination, harassment and retaliatory attitudes, behaviors, and practices. CAL FIRE is committed to ensuring equal employment opportunity for all employees, applicants for employment, and volunteers. It is the practice of CAL FIRE to provide equal employment opportunity to all staff and applicants for employment on the basis of merit and fitness and to prohibit discrimination in its personnel practices and policies dealing with selection, development, advancement, and treatment of employees. The goal of CAL FIRE's EEO program is to prevent unlawful discrimination, harassment and retaliation and to resolve issues through education and corrective action.

The Communication Office provides pertinent information and education to people of all ages, in public forums, through the media and worldwide web, and the distribution and display of printed material. To support the CAL FIRE mission and to prevent wildfires before they happen, with education provided to the people of California, CAL FIRE can decrease the number of human-caused fires.

The Office of Legislation researches, evaluates, and analyzes legislation that impacts the Department. This includes monitoring state and federal legislation on specified issues affecting CAL FIRE programs, reviewing all bills introduced and amended in the State Legislature to identify bills that may directly or indirectly affect the Department, and working with CAL FIRE program staff to identify the programmatic and fiscal impacts of legislation.

The Legal Office assists program staff with personnel matters and actions, represents the Department at various administrative hearings, assists program and contract staff on procurement issues, contracts, and grants, reviews and advises on proposed legislation and regulations, drafts high level correspondence for executive management, provides general legal advice to CAL FIRE staff, and reviews, processes, and coordinates responses for Public Records Act requests and subpoenas. The Legal Office also works with the Attorney General's Office to file civil cost recovery actions on behalf of the Department and defends the Department in legal matters by providing input and direction on strategy and case management, reviewing and revising pleadings, assisting with discovery requests and obtaining declarations, evaluating settlement offers, and obtaining settlement authority on cases.

Lastly, the Department's Office of Program Accountability is an independent appraisal entity established to conduct reviews of internal controls, to report opportunities for improvement, and to make recommendations to the Director, Chief Deputy Director, executive management and programs/units. Under the authority of the Director, the Office of Program Accountability conducts a variety of assurance audits/consulting engagements and provides audit-related services requiring adherence to professional standards. The Office of Program Accountability is also the liaison for external compliance reviews/audits of the Department.

The Board of Forestry and Fire Protection (BOF) is a government-appointed body within CAL FIRE. BOF is responsible for developing the general forest policy of the State, determining the guidance policies of the Department, and representing the State's interest in federal forestland in California. Together, BOF and the Department work to carry out the State Legislature's mandate to protect and enhance the State's unique forest and wildland resources. The BOF is charged with protecting all wildland forest resources in California that are not under federal jurisdiction. These resources include major commercial and non-commercial stands of timber, areas reserved for parks and recreation, woodlands, brush-range watersheds, and all private and State lands that contribute to California's forest resource wealth.

The California Underground Facilities Safe Excavation Board (Dig Safe Board) was created by the Dig Safe Act of 2016 to investigate accidents, develop excavation safety standards and coordinate education and outreach programs. The Dig Safe Board is made up of nine members appointed by the Governor and the State Legislature. Members are charged with overseeing the safety of excavations around buried utilities by coordinating the State's education and outreach efforts, investigating accidents to determine their causes, setting standards for safe excavation and ensuring the State's safe excavation laws are followed.

The State Board of Fire Services is a 17-member advisory board to the OSFM. The State Board of Fire Services is comprised of representatives of fire service labor, fire chiefs, fire districts, volunteer firefighters, city and county government, the Office of Emergency Services, and the insurance industry and is chaired by the California State Fire Marshal. The State Board of Fire Services provides a forum for addressing fire protection and prevention issues of statewide concern, develops technical and performance standards for training of fire service personnel, accredits curriculum, establishes policy for the certification system for the California Fire Service; advises the State Fire Marshal on dissemination of regulations, and sits as an appeals board on the application of OSFM regulations.

Control Environment

The CAL FIRE Director is committed to the principles of shared values and vision under the mission as outlined in the 2019 Strategic Plan. As such, CAL FIRE employees are encouraged to become familiar with the Department's Strategic Plan including the core values which are posted internally on the Department's intranet page and externally on the Department's Internet page.

CAL FIRE employees are also responsible for completion of the Department's Employee Code of Conduct (PO-227) (CAL FIRE 1000 Personnel Handbook section 1081 Employee Code of Conduct) and Incompatible Activities Statement (PO-155) (CAL FIRE 1000 Personnel Handbook section 1082 Departmental Incompatible Activities). Acknowledgement and certification of mandatory reviews are typically maintained via the Employee Training Sign-Up Sheet (IIPP-6) or in the Department's learning management system and stored in the official personnel file and/or training file of employees.

CAL FIRE employees are also required to attend various EEO trainings, familiarize themselves with the CAL FIRE 1400 Equal Employment Opportunity Handbook, and have access to employee rights and right-to-file signage in areas where employee notices are maintained.

CAL FIRE employees are also made aware of the California Whistleblower Protection Act (CWPA) administered by the California State Auditor (CSA). The Department's Office of Program Accountability facilitates the annual posting of CWPA information at facilities where other employee notices are

maintained, disseminates CWPA information to all CAL FIRE mailboxes (electronically), administers periodic compliance checks for postings, and provides continued coordination/collaboration with the CSA and/or the California State Personnel Board (SPB) to address allegations of improper governmental activities and/or associated retaliation.

Furthermore, the Department has developed a CAL FIRE Code of Conduct pocket card for all employees. The card provides the five principals of ethical power for individuals, an ethics check, strategic objectives, vision, and values, as well as a guidance model. The Code of Conduct pocket card is being updated to align with the 2019 Strategic Plan.

The Political Reform Act requires that officials or employees, who are designated in a Department's Conflict-of-Interest Code, must file a Fair Political Practices Commission (FPPC) Statement of Economic Interests (Form 700). All employees and consultants of a State Agency who are required to file an FPPC Form 700 are required to complete ethics training on a biennial basis through the Office of the Attorney General. Furthermore, CAL FIRE's Business Services Office additionally requires Departmental certified purchasers to complete the Office of the Attorney General's ethics training.

Leadership and supervision classes administered through the Department's Training Center provide various instruction on ethics to students as well as classes administered through the State Training Center to meet California Government Code training requirements for excluded employees.

CAL FIRE's PSP maintains a confidential internal employee complaint line and mailbox. These venues provide employees the ability to bring forward concerns of workplace issues including, but not limited to, unprofessional conduct, nepotism, workplace bullying, external grievances, and policy violations.

As previously reported, CAL FIRE resides under the umbrella of the California Natural Resources Agency. Like other State Department's, CAL FIRE has delegation of certain functions (e.g., purchasing/procurement, hiring, examinations) through external control agencies and must meet the conditions for delegation. Because of these delegations, the Department is subject to periodic external audits/compliance reviews (e.g., Department of General Services, SPB).

CAL FIRE's organizational structure is comprised of Sacramento Headquarters, two Regional Operations Centers (Redding, Riverside), two Regional Headquarters (Santa Rosa, Fresno), 21 operational units, hundreds of fire stations, 38 conservation camps, 13 air attack and 10 helitack bases that span the State of California from the Oregon line to the Mexican border. Some functions within the Department are centralized, while a majority of others are decentralized due to operational need and geography. The Department operates within a chain of command structure with limited exceptions. The Department documents its organizational structure through organizational charts that reflect reporting relationship and relative ranks. Current organizational charts are maintained at the Sacramento Headquarters/region/unit/program levels. Annually, CAL FIRE submits a comprehensive set to the California Department of Human Resources (CalHR) as part of its delegation agreement. CAL FIRE utilizes Position Essential Functions Duties Statements (PO-199s) to further define position roles and responsibilities.

CAL FIRE's variety of programs/functions are overseen by the Director and the Department's Executive Team (E-Team). E-Team is comprised of the Director, Chief Deputy Director, State Fire Marshal, Deputy Directors, Region Chiefs, Assistant State Fire Marshal, Chief Legal Counsel, and the Chiefs of the EEO, PSP, and the Office of Program Accountability. A secondary committee, the 3-Star Committee

(3-Star), is comprised of E-Team minus the Director, Chief Deputy Director, and State Fire Marshal. The 2-Star Committee is comprised of the Assistant Deputy Directors, Assistant Regions Chiefs, and other members of senior management. CAL FIRE's organizational structure allows for each program to plan, execute, control, and assess their objectives. The committee structure is intended to provide a forum to discuss executive and senior management level issues that span multiple programs/functions to achieve the overall mission of the Department.

The Department has a governance structure that includes the use of committees, councils, advisory groups, and working groups comprised of internal and, in some cases, external stakeholders. Depending on the governance body, members may be tasked with researching initiatives, addressing operational concerns, managing and/or overseeing specific functions, addressing areas of risk, and/or escalating recommendations to executive management.

Documentation of delegation is typically maintained by the Department's Legal Office.

CAL FIRE utilizes an issuance system as an internal control framework. This issuance system is a series of handbooks and forms centrally located and available to all employees providing consistent principles, standards, and guidance by which the Department operates. The issuance system also serves to document approvals, provide appropriate notifications to impacted stakeholders, designate handbook owners for monitoring of handbook content, and outline the Department's policy, procedures, temporary directives, etc.

In July 2019, the Department completed its workforce plan and is vetting the succession plan through the routing process for the Director's approval. In addition to the creation of the Workforce and Succession Planning Unit and the Recruitment Specialist position in the Sacramento Headquarters Human Resources Office, Departmental strategies for establishing and maintaining a competent workforce are multi-faceted. The Department's efforts include, but are not limited to, increasing social media engagement, expanding advertising beyond traditional methods, maintaining a list for job and examination announcements, maintaining a recruitment mailbox, and attending coordinated events (e.g., universities, colleges, and school career events). The Recruitment Specialist position works directly with programs on hard-to-fill positions and serves as the chairperson of the Department's Statewide Talent Acquisition Team (STAT). STAT is comprised of the Chief of Human Resources, the Chief of EEO, the Department's Returning Veterans: Enlisting Their Skills for CAL FIRE Service (R.V.E.T.S.) Coordinator, the Region Administrative Officers, subject matter experts, and representatives from CalHR. Furthermore, the BOF has been engaged in outreach and education programs for the, maintenance, development, and recruitment of Registered Professional Foresters (RPFs).

EEO is also responsible for recruitment related to under-represented communities/persons, administering the Department's Upward Mobility Program, and collaborating with the SPB for recruitment of candidates for the Limited Examination and Appointment Process (LEAP) program for persons with disabilities, in addition to its other mandatory functions.

Established in 2011, R.V.E.T.S. is the Department's grassroots effort to assist veterans, service members, and their families with transition and integration into service with the Department. Some of the ways this program assists the Department's recruitment efforts is through its ongoing participation at service member events, ongoing partnerships with the military, hosting an R.V.E.T.S. Hotline, and cross-walking equivalencies gained as a service member into civil service experience.

The regions/units often participate and/or host career events at the local level or participate in larger coordinated events.

PSP provides training on appropriate employee conduct, updates policy and training designed to standardize the progressive discipline process, investigates complex or high profile cases, provides technical assistance to unit and program staff, and performs background checks for those whose civil service would require them. In addition, PSP is responsible for facilitating the PSP Working Group to design the Department's onboarding program for new employees and to work collaboratively with the Department's Training Center to redesign and develop an enhanced leadership program.

The Communications Office is responsible for continued outreach through a variety of media platforms and through its Public Information Officers established throughout the State.

Each employee is also critical in attracting and maintaining a competent candidate pool. For example, the OSFM created recruitment cards for many of its hard to recruit for positions like the Deputy State Fire Marshal series. The Department continues efforts to bolster its footprint and to explore creative opportunities to enhance its workforce and promote the State of California as the employer of choice.

Enforcement of accountability is maintained at a variety of levels up through the Director. Unreasonable/excessive pressures that may arise come up through the chain of command or in some cases outside of the chain of command and are escalated to the Directorate level and may be addressed through various entities (e.g., the California Natural Resources Agency, State Legislature, or the Governor's Office).

The Professional Foresters Examining Committee (PFEC) serves at the pleasure of the BOF and is charged with the examination of individuals for registration as RPFs, initiation and monitoring of investigations into complaints made against RPFs, and the recommendation of disciplinary action to the BOF.

In addition to its other responsibilities, to enhance accountability, the PSP publishes a quarterly report of employee actions on the CAL FIRE Intranet. This report provides the classification, description of offense, and types of actions.

Information and Communication

As previously provided, the Department operates within a chain of command structure with limited exceptions (e.g., EEO reporting). There are committee structures for communicating issues and there is a Departmental issue paper process for moving issues forward within the Department. There are a multitude of processes outlined in the Department's Issuance System for information sharing and to improve the organization (e.g., merit suggestions, Director's Annual Recognition Program), for reporting alleged improper activities (e.g., filing with the EEO, merit issue complaints, employee internal complaint line, CWPA filing, filing with external agencies directly) and for requesting staffing/funding (e.g., budget change concepts, budget change proposals).

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 Forestry and Fire Protection monitoring practices are implemented and

functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Windy C. Bouldin, Chief, Office of Program Accountability.

The Department's 3-Star Committee, chaired by the Deputy Director for Fire Protection, is responsible for performing monitoring activities associated with the State Leadership Accountability Act (SLAA), for its respective programs, on Statewide issues impacting multiple programs as well as escalating issues requiring the highest level of review to E-Team or directly with the CAL FIRE Director. 3-Star holds monthly meetings to discuss current and potential issues for the Department. These meetings allow management to discuss issues and what steps, if any, are needed to mitigate the issues. 3-Star members share experiences and further assist each other in addressing Statewide challenges, as well as provide recommendations for resolve.

Outside of 3-Star, other stakeholder groups perform routine monitoring activities by meeting on a regular basis to address programmatic issues affecting operations (e.g., Unit Safety Officers, Training Officers, Administrative Officers). Notwithstanding Departmental management, programs throughout the organization perform similar activities as part of their normal course of operations.

Periodic reviews of functions within the Department may also be built into the respective programs' responsibilities to provide formalized feedback on the effectiveness of the internal control system. For example: 1) Serious Accident Review Teams are assigned to investigate incidents and provide management with facts and recommendations to prevent future occurrences, 2) Conservation Camp Management Reviews are conducted by CAL FIRE and representatives from the California Department of Corrections and Rehabilitation to assess the conservation camps' compliance with applicable mandates (e.g., law, regulations, Departmental policies), 3) Emergency Command Center (ECC) Reviews are established to ensure ECCs are operating in a manner consistent with State and Department laws, rules, and regulations, and 4) Air Attack Base and Helitack Base Reviews are conducted to ensure air bases are operating in a manner consistent with State and Department laws, rules, and regulations (e.g., the Federal Aviation Administration, California Department of Transportation, local airport policies). These types of reviews along with external agencies and/or stakeholders who perform periodic audits and/or compliance reviews also assist in monitoring performance and identifying opportunities for improvement. The Department's E-Team also contributes to the development of an annual audit plan for the Office of Program Accountability to perform independent risk-based assurance audits and/or consulting engagements of the Department's programs, processes, and systems including, but not limited to, internal controls and provide objective feedback to management.

To assist in establishing a foundation for monitoring, the Department created the CAL FIRE State Leadership Accountability Act Monitoring Activities document based on the California Department of Finance's publication. The document provides information on the State Leadership Accountability Act, ordinary course of operations, separate evaluations, monitoring general framework, organizational structure, roles and responsibilities, communications, report requirements, and the cycle. The document continues to be updated based on input from 3-Star.

To facilitate risk discussions, the executive monitoring sponsor meets with 3-Star at least quarterly to discuss the ongoing monitoring process and shares information regarding the SLAA and its requirements. Ongoing monitoring activities within the Department include, but are not limited to, monthly E-Team meetings, 3-Star monthly meetings, joint 2-Star/3-Star monthly meetings, bi-weekly

Director's Staff meetings, bi-monthly Northern and Southern Region Leadership meetings, and Director's briefings. The executive monitoring sponsor attends these meetings and communicates with the Department's E-Team on an ongoing basis. However, it is important to note that all levels of management must be involved in assessing and strengthening the system of internal control to minimize fraud, errors, abuse, and waste of governmental funds.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Forestry and Fire Protection risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, consideration of potential fraud, and other.

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

It is critical for CAL FIRE's E-Team to assure that the Department is operating as efficiently as possible without impeding its responsibility to fulfill its mission. CAL FIRE's management (all managerial, supervisory, and exempt employees) had the opportunity to assess risks within the Department in 2019 through the completion of an online survey. Survey results along with other data (e.g., Management Services Employee Engagement Survey Results, outstanding audit findings, and input from stakeholders) were discussed during the risk assessment process.

RISKS AND CONTROLS

Risk: Continuous Improvement - Communications

The Department's 2019 Strategic Plan has identified communication as a fundamental function of leadership. Developing and maintaining a structure of communication and reporting relationships is essential to the Department's success. Due to operational needs and geography, a majority of the Department's functions are decentralized. Due to understaffing and heavy workload, the importance of information sharing may be diminished. Furthermore, although efforts have been made to update Departmental policies and procedures, outdated information creates reporting blocks between operational units and Sacramento Headquarters programs. Lack of appropriate staffing, specifically in the regions, units, and programs [including the Office of the State Fire Marshal (OSFM)], limits understanding and coordination among internal and external stakeholders, thereby creating silos. Silos hinder efficient communication by giving rise to barriers (e.g., vertical/horizontal communication, conflicting philosophies) among organizational levels and outside the Department..

Control: Public Information Officer Staffing

In accordance with the 2019 Strategic Plan, the Department will analyze and revise its internal communication policies and processes to define what type of messaging and direction comes from what levels of leadership and will continue to develop communication strategies to reach all employees. To ensure that all communication delivers the intended results to the appropriate audience, staffing levels for information flow (e.g., additional public information officers in the

operational units) would assist in breaking down communication silos. The Department prepares and submits budget change proposals (BCPs) annually to attempt to secure additional funding and resources to meet increasing demands.

Risk: FI\$Cal Challenges

The Department has experienced ongoing challenges with the mandated implementation of the Financial Information System for California (FI\$Cal), which have led to the following:

- Implementation of FI\$Cal may cause limitations to staff availability to perform their daily workload due to staff needing time to get trained on the new system, causing limitations of staff availability, information accuracy, security, or compatibility.
- Design, implementation, maintenance, operations, or support of FI\$Cal causing limitations of information availability security, or access.
- Internal FI\$Cal reports are not well understood or misinterpreted, and system constraints cause delays in running large reports, which ultimately causes delays in processing.

System design limits automation, and without automation, manual data entry is required. Because the system requires far more keystrokes for each transaction, the workload associated with processing of documents has increased, which has resulted in delays in processing. System design does not necessarily account for specific issues faced by decentralized departments with specific needs. FI\$Cal has far more reports than CAL FIRE users are accustomed to, and users have not received sufficient training to efficiently and effectively operate in the system.

Impacts, include, but are not limited to:

- Reduction in staff availability (time spent learning/fixing)
- Critical accounting functions not performed timely
- Operating inefficiencies (system/user error)
- Incompatibility with internal information systems
- Lack of sufficient self-service features
- Loss of information, lack of availability, server downtime, or slow response
- Information is unavailable or structured in a way that is not useful for management making decisions
- FI\$Cal reports are inadequate, inaccurate, misinterpreted, or untimely
- Staff are unaware of FI\$Cal reporting capabilities which lead to inefficient methods of gathering or presenting needed information
- System functionality affects the ability to access or enter data needed to create reports for outside users
- External parties provide incorrect information due to a misinterpretation of a report
- Vendors misinterpret reports generated by FI\$Cal due to a lack of experience reading such reports

Control: Financial Support Staffing

The Department has submitted BCPs to increase staffing to assist with the processing of financial documents. With additional staffing, the Department is better able to allocate workload.

Control: Enhanced Training and Resources

The Department continues to collaborate with accounting and procurement management staff from other State Departments on best practices and works to enhance its training with available resources. The Department continues to develop and provide internal training and adapts accordingly as new issues arise. As users become more familiar with FI\$Cal, through training and implementation of best practices, they will become more proficient, which will improve processing times.

Control: Consulting with Subject Matter Experts

The Department continues to work with the California Department of Finance and the Department of FI\$Cal to identify CAL FIRE specific issues and attempt to identify resolution. The Department has also partnered with other California Natural Resources Agency Departments to meet with FI\$Cal management and identify concerns. As Department-specific issues are identified and resolved, users will become more proficient and processing times will improve.

Risk: Continuous Improvement - Issuance System

The Department continues to struggle with monitoring, design, or evaluation of the internal control systems to identify and correct deficiencies specific to CAL FIRE's Issuance System. CAL FIRE has made great improvements in redesigning its issuance system including, but not limited to, creating a Policy and Procedures Working Group (PPWG), developing and implementing the CAL FIRE 0100 Issuance Systems Handbook, and administering training for its handbook owners.

Due to competing workload, the prioritization of updating and/or developing all policies and procedures is limited. As a result, policies and procedures are not always current, established, followed, or enforced.

Control: Continuous Improvement - Collaboration

The Department's PPWG continues to work with handbook owners and their program areas to systematically assess policies/procedures, to assist with revisions as necessary, and to ensure a consistent format for issuance Statewide. With assistance from the PPWG, a significant number of outdated policies/procedures have been updated which helps to provide clearer and more current direction to all employees. Continued efforts by the PPWG to streamline processes and develop tools will assist handbook owners in prioritizing their policies and procedures.

Risk: Inventory Management

It is recognized that administration of physical resources to ensure proper functionality and security is necessary. Due to conflicting workload, inventory management is not a priority at all levels of the Department, and given the decentralized nature of CAL FIRE, ensuring that inventory is appropriately tracked is difficult from any central location. However, competing priorities delay allocation of resources for maintenance or upgrades as well as a lack of long-term plans for asset management.

Control: Asset Management Working Group

The Department is in the process of developing an Asset Management Working Group (AMWG) to review the Department's current practices and develop proposed practices to ensure the proper functionality and security of physical property within the Department. The AMWG will confirm what inventory is maintained at service centers/warehouses, determine how inventory is tracked, explore solutions for a standardized approach to inventory management, identify controls in-place or to be developed that restrict access to locations and their contents, identify risks affecting operations, and explore possible solutions to help mitigate those risks.

The Property and Local Services section within CAL FIRE's Business Services Office is currently developing and updating policies and procedures for Federal and State Property. The Property and Local Services section is also developing training and looking towards implementing online training in tracking platforms such as Target Solutions and Articulate. The AMWG, along with updated policies/procedures and training, will help to provide a clear and more current direction within the Department.

Risk: Continuous Improvement - Recruitment/Retention

The Department has experienced ongoing challenges with recruitment and retention, which has led to the following:

- Loss of key personnel or changes in work environments and processes causing a gap between staff skills and the critical needs of the entity.
- Staffing levels creating inefficiencies or preventing the achievement of entity mission or objectives.

Pay disparities/inequities, recruitment and retention issues, and high turnover at key positions have caused gaps. Pay disparities between public and private salaries decrease morale and make it difficult to hire and retain personnel in key positions. Changing workforce demographics have led to a high volume of retirements. Many positions require specialized, critical skill sets, and some staff lack the necessary knowledge, expertise, and training to effectively perform the essential functions of a position. Furthermore, the State's hiring process can be difficult to navigate for those unfamiliar with civil service rules. CAL FIRE faces retention challenges in areas where employees have gained specific skill sets and separated from the Department for other career opportunities.

Impacts include, but are not limited to:

- Challenges in training backups due to limited positions
- Exclusive reliance on-staff experts, with no backups to assist in their absence
- Workforce skills need to change to accomplish the mission
- Inability to find/retain viable candidates due to pay, location, experience, outdated classification specifications, promotional advancement, or worker fatigue due to overtime
- Lengthy hiring process, which contributes to more positions being vacant longer, which contributes to higher workload for the positions that are filled
- Inadequate staffing levels cause backlogs and/or reduce the quality of work

Control: Increased Staffing

The Department prepares and submits BCPs annually to attempt to secure additional funding and resources to meet increasing workload demands. As BCPs are approved and implemented, the Department is better able to address workload demands.

Control: Succession Planning

The Department instituted its Workforce Plan 2019-2021 and is working on implementing its Succession Plan; both plans provide the Department with a framework for future workforce development. Ongoing efforts include, but are not limited to, staff participation at recruitment events throughout the State, utilizing internal workforce data, to identify and evaluate career pipelines for hard-to-fill classifications, maintenance of the CAL FIRE Careers webpages, and the future launch of a CAL FIRE Career Zone and Mentorship Program to allow employees to grow both professionally and personally, thereby engaging the workforce.

The Department's Succession Plan will outline initiatives to assist in addressing gaps associated with staffing and prepare individuals for key positions. Development of knowledge transfer strategies will also assist the Department in capturing institutional knowledge.

Control: Classification Proposals

The Department continues to submit Classification Proposals (e.g., pay, class consolidation, class specification updates) to the California Department of Human Resources (CalHR) to address the inability to find/retain viable candidates due to pay, location, experience, and outdated classification specifications. Submitting of Classification Proposals to CalHR ensures that current classifications and pay are appropriate for positions.

Control: Office of the State Fire Marshal Staffing

The OSFM is responsible for the oversight of the Designated Campus Fire Marshal (DCFM) program at University of California and California State University campuses. The DCFM program has undergone staff turnover since initial delegation and training. OSFM is currently working to develop an oversight and review component for the DCFM; however, limited OSFM staff is available to provide training and directly monitor/inspect DCFM activities. The Department prepares and submits BCPs annually to secure additional funding and resources to meet the increasing demands.

Risk: Continuous Improvement - Technology

Existing systems do not necessarily meet the current needs of the Department, and outdated technologies may cause system functionality issues. In an expanding technological environment, cyber security is an inherent risk.

The Department's Information Technology Services has been tasked with delivering business value using cost effective, modern information technologies deployed and managed by dedicated and experienced staff. However, ITS is underfunded to meet the current business needs of the Department and lacks the staffing and expertise needed to accomplish its mission. Additionally, in an ever-

changing cyber environment, ITS policies/procedures (i.e., software management plan, data share agreements) must keep up with the pace and scale of change.

Without the appropriate personnel or expertise to staff positions or funding to ensure that legacy systems work with other software systems, operations may not work as intended. Furthermore, without appropriate controls in place risk may be increased.

Control: Information Technology Services Funding/Staffing

The Department prepares and submits BCPs annually to attempt to secure additional funding and resources to meet increasing workload demands. As BCPs are approved and implemented, the Department is better able to address workload demands.

Control: Data Sharing and Software Management

The Department is working to update language in cooperator agreements to better define how information is used or shared between CAL FIRE and its cooperators. Exhaustive support language in cooperator agreements will define CAL FIRE's obligation to cooperator assets and data. Data Sharing Agreements will protect data from accidental and intentional release by cooperators and vendors and will help to ensure the integrity of critical and confidential data.

The Department is also currently working on the development and implementation of a software management plan (SMP). The SMP would require all CAL FIRE units to use the same software for the common functions (e.g., finance, training, personnel, weather) to ensure adequate support within the Department.

Risk: Manual Employee Processes

The Department is exposed to liability by utilizing inconsistent processes, often manual and performed by multiple programs/persons, for tracking of assets/credentials assigned to employees from hire to separation.

Many of the Department's functions are decentralized, and without a centralized system, information may not be received in a timely manner for processing. Exacerbating the issue is the use of manual processes like the Department's Request for Employee Clearance (CAL FIRE-151) used to change credentials when the employee is new, changing job function or location, or separating from the Department; or one of the various Employee Exit Clearance forms used to document assets collected (e.g., badges, laptops, cellphones), outstanding pay owed or to be issued, and more.

Impacts include, but are not limited to:

- Unreliable position and vacancy data reports limiting the Department's ability to determine recruitment and retention needs, turnover, and future staffing needs in Department specific classifications
- Employees are unable to complete tasks and duties due to access limitations or restrictions (e.g., accounts not set up, badge access)
- Inconsistent separation/transfer/position change processes; employees continue to retain access to information no longer authorized (which can result in a security breach, misuse of credentials, increased costs to Department for unnecessary applications or accounts, etc.)

- Difficulty determining cause of turnover, recruitment success, and future retention risks

Control: Standardized Processes

The Department is working to improve and enforce consistent Statewide onboarding and separation processes. Furthermore, the Department is looking to standardize its exit survey process to identify the reasons for employee separations and identify if improvements are needed (e.g., culturally, systematically, administratively) to retain talent, experience, and knowledge.

The implementation of these controls will standardize and centralize employee data and allow CAL FIRE to monitor employees throughout their career with the Department. Additionally, the standardization of data and processes will ensure the Department is providing consistent and efficient training.

Control: Automated Tracking

The Department is exploring options to create an internal system to track employees throughout CAL FIRE employment (e.g., employment transfers, separations, promotions, and leaves of absence). Such a system would provide internal notifications to various administrative programs to ensure system changes occur as needed. The Department is also exploring options to better enforce separation processes to assure credentials are revoked, licenses are returned to the pool, and access to data and networks are removed to lower security exposures.

The Department will have accurate and consistent employee data to determine current and future staffing needs and trends. The Department will also be better able to control expenses with software and licenses and reduce potential security risks.

Risk: Budgeted Levels

The Department's lack of fiscal resources may create inefficiencies or prevent programs' completion of objectives given increased workload demands.

The Department's programs have expanded due to a variety of reasons including, but not limited to, legislative mandates and increased control agency and Administration demands. These increased workload demands are often enacted without necessarily increasing funding or resources on a commensurate level.

The lack of fully funded programs and unpredictable events (e.g., difficult-to-forecast/unplanned expenses) and/or unexpected market factors (e.g., spikes in prices) may impact deliverables.

Control: Funding/Resources

The Department prepares and submits budget BCPs annually to attempt to secure additional funding and resources to meet increasing workload demands. As BCPs are approved and implemented, the Department is better able to address workload demands.

CONCLUSION

The Department of Forestry and Fire Protection 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.

Thomas W. Porter, Director

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