

January 04, 2024

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

Dear Director Joe Stephenshaw,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Board of State and Community Corrections submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Anita Butler, Chief, Administrative Services, at (916) 327-4210, [Anita.Butler@bscc.ca.gov](mailto:Anita.Butler@bscc.ca.gov).

## **GOVERNANCE**

### **Mission and Strategic Plan**

Established in 2012, the California Board of State and Community Corrections (BSCC) is an independent statutory agency that provides leadership to the adult and juvenile criminal justice systems, expertise on Public Safety Realignment issues, a data and information clearinghouse, and technical assistance on a wide range of community corrections issues (Penal Code sec. 6024-6025). In addition, the BSCC promulgates regulations for adult and juvenile detention facilities, conducts regular inspections of those facilities, develops standards for the selection and training of local corrections and probation officers, and administers significant public safety-related grant funding.

The BSCC inspects for compliance of standards and directs funding for construction of local adult and juvenile detention facilities and ensures that the local jail projects meet recent Legislative mandates to provide program space for rehabilitative services.

The BSCC's work involves extensive collaboration with stakeholders, including local probation departments, sheriffs, county administrative offices, justice system partners, community-based organizations, and others. The BSCC sets standards and provides training for local adult and juvenile corrections and probation officers. It is also the administering agency for a host of federal and state public safety grants, including evidence-based practices to reduce violence.

Policy for the agency is set by the 13-member Board of State and Community Corrections, whose members are prescribed by statute, appointed by the Governor, the Legislature, and the judicial branch. Most members are subject to confirmation by the state Senate. The Board Chair reports directly to the Governor.

Below are the goals and objectives identified in the BSCC's Strategic Plan.

**Goal 1: Decision Making and Operational Transparency** - Make decisions and carry out operations fairly, inclusively, collaboratively, and transparently.

*Objectives:*

Improve regular and open communication with our partners and stakeholders.

Ensure a fair, inclusive, and transparent decision-making process.

**Goal 2: Programs, Training, and Technical Assistance** – Align BSCC programs, including grants, training, and other responsibilities, to support innovation, highlight data-driven practices and diversion programs, reduce recidivism, and improve community re-entry services and outcomes for individuals and families.

*Objectives:*

Facilitate the effective use of evidence-based principles (EBP).

Provide comprehensive technical assistance and training to support improved outcomes.

Support local efforts that reduce recidivism and improve outcomes.

**Goal 3: Facilities and Inspections** – Ensure the safety and care of people housed and working in local detention facilities through standards guided by best practices, inspections, and technical assistance.

*Objectives:*

Provide training, technical assistance, and resources to support the use of effective programs and practices, including but not limited to in-custody programs, medical and mental health treatment, and alternatives to incarceration.

Support the use of effective policies and regulations to support healthy and safe in-custody environments and successful reentry.

Provide transparency in inspection findings, including regular Board review of inspection reports to ensure accountability in local detention facilities.

Seek regular community input on regulation revisions and inspection processes.

**Goal 4: Data Collection and Reporting** – Collect, analyze, and provide data that inform effective policy and practice decisions.

*Objectives:*

Develop a comprehensive data collection and research plan that includes desired outcomes.

Collect and share data, research projects, and reports to inform decision and policy makers.

## **Control Environment**

The Executive Leadership Team consists of the Board of State and Community Corrections Chair, Executive Director, Chief Deputy Director/General Counsel, Director of Communications, and four (4) Deputy Directors.

The Executive Leadership Team sets the foundation, standards, and tone for the organization and its employees by modeling competence, ethical behavior, integrity, morale, and transparency.

The Executive Leadership Team ensures there is clear assignment of authority and duties throughout the Department; ensures appropriate levels of responsibility through the organizational structure, supports a positive and productive business environment, and maintains documentation of internal control systems.

The BSCC has approximately 120 employees in varying classifications (e.g., Field Representatives, managers, supervisors, analysts, and support staff).

The BSCC recruits, develops, and retains a competent workforce by hiring qualified staff, providing mentoring and training, completing employee performance reviews, ensuring supervisors and employees meet individually and in group/team settings, and hosting all staff meetings.

The BSCC addresses accountability and considers varying goals, objectives, and challenges throughout the performance review process; and as issues arise.

### **Information and Communication**

The BSCC communicates roles, activities, issues, and results internally through its chain of command. Roles are defined through duty statements, and the organizational chart displays the chain of command, and is made available to every employee. The BSCC Deputy Directors hold regular all-staff meetings to communicate issues to their staff. If certain issues affect multiple divisions, division all-staff meetings are supplemented with BSCC all-staff meetings and agency-wide emails.

BSCC staff report inefficiencies, issues, and recommendations to management and other decision makers during one-on-one meetings, in team meetings, and/or through e-mail.

The BSCC communicates important information to external stakeholders through e-mails, the BSCC website, and various meetings including Board Meetings, Executive Steering Committee Meetings, etc. The BSCC website provides extensive information about detention facility inspections, grant programs, training, and data, such as the jail profile survey and juvenile detention profile survey.

### **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 Board of State and Community Corrections monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Lee Sutter, Chief Fiscal Officer; Anita Butler, Chief,

Administrative Services; Kathleen Howard, Executive Director.

As the head of the Board of State and Community Corrections, Kathleen Howard, Executive Director, is responsible for the overall establishment, maintenance, and revisions of the internal control and monitoring systems.

The Executive Leadership Team has the primary responsibility for maintaining effective systems of internal controls. The Executive Leadership Team meets weekly, and each meeting includes a discussion of risks, internal controls, and resource management. The Deputy Directors report on key performance indicators for their respective divisions to the Executive Director. In addition, the Deputy Directors update the Executive Leadership Team on internal control issues that need to be discussed and addressed. As a group, the Executive Leadership Team discusses potential solutions or mitigation strategies to such issues as they arise.

Each Deputy Director has the primary responsibility of monitoring internal control systems within their respective division. This is accomplished through one-on-one meetings with direct reports, subject matter experts, and regular divisional all-staff meetings, as well as tracking key performance indicators for the division.

The Executive Leadership Team discusses vulnerabilities in weekly meetings. The vulnerabilities are assessed for the level of risk posed to the organization, as well as the efficacy of the current internal controls that address the risk.

If the internal controls do not adequately mitigate the risk, responsibility for addressing the deficiency is assigned to the Deputy Director who oversees the impacted function. The Deputy Director generates solutions with the advice of the BSCC Executive Leadership Team and is responsible for implementing those solutions. The Deputy Director then monitors and reports on the progress of reducing the identified vulnerability to the Executive Director and/or Executive Leadership Team during their meetings.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the Board of State and Community Corrections 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, external stakeholders, questionnaires, consideration of potential fraud, performance metrics, and other.

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

## **RISK AND CONTROLS**

- Management designs control activities to achieve objectives and respond to risks.
- Information systems and control activities are designed to achieve objectives and

- respond to risks.
- Control activities are implemented and documented in policies, procedures, or other similar documentation.

## **RISKS AND CONTROLS**

### **Risk: Risk 1**

#### **Risk #1: Installation of New Servers**

In 2022, the BSCC procured and began configuration of new servers in order to replace servers nearing end of life. This was a risk as it required not only the transition of core BSCC physical infrastructure but the configuration of services to be migrated to newer versions of the Windows Server operating system (2012 R2 to 2022).

The potential risk for this transition was an impact to services currently running while migrating to the new servers. In order to ensure this wasn't an issue, the IT Team had to run both sets of servers in parallel until services could be transitioned fully and the old servers could be retired.

#### **Control: Control 1**

The servers were procured with the proper hardware specifications to not only transition all existing services but to ensure room for growth in the BSCC's IT infrastructure. The servers procured were ensured to have the level of robustness necessary for these requirements.

#### **Control: Control 2**

The servers needed to be configured with modern Windows Server operating systems (2022) as well as to make sure that the migration of old services from the old servers were compatible with the new servers. This was a heavily researched task but one that occurred smoothly on the backend so that users were not impacted during the transition.

#### **Control: Control 3**

The new servers needed to be configured to run parallel with the existing servers in order to ensure services could be properly transitioned. In order to do this, IT staff mirrored services on the new servers, creating a redundant working environment that allowed for a smooth transition to the new servers without the end users noticing an impact.

#### **Control: Control 4**

Upon migration of services from the old servers, they were retired and removed from service. This finalized the upgrade and migration to the new servers and ensured that there would be no potential conflicts of confusion from the backend of which server to interact with.

### **Risk: Risk 2**

#### **Risk #2: Installation of new Uninterrupted Power Supplies (UPS)**

The BSCC's UPSs were old and began to fail with batteries expiring and leaking harmful gas. These devices were instantly retired, and a plan was put in place to replace the UPSs with new and modern devices.

**Control: Control 1**

The UPSs needed to be procured and, with the extended delay in procurement times due to shipping delays related to COVID-19, a stop-gap UPS was procured instantly that provided minimal coverage for the BSCC while the new UPSs were ordered. This was done as soon as battery failure was detected, and the temporary UPS was installed immediately upon receipt.

**Control: Control 2**

Prior to the new UPSs being received, IT needed to perform some modifications to the power requirements of the server room, requiring an electrician to modify the wall socket and power runs. This was completed in preparation prior to the receipt of the new UPSs so that, upon receipt, the UPSs would be ready to be installed without delay.

**Control: Control 3**

Upon receipt of the UPSs, they were built and installed into the server rack, ensuring that the heat produced would be properly distributed throughout the server room. Additionally, they were configured for network alerts so any overheating or power issues would send notifications to BSCC IT staff so that they could be monitored and viewed remotely.

**Risk: Risk 3**

**Risk: #3 – CONFIDENTIAL OR SENSITIVE MAIL HANDLING**

BSCC Support Staff is tasked with handling all incoming mail. Their process is to open each envelope (unless it is marked confidential), date stamp the contents, and distribute to the respective BSCC employee.

The BSCC recognizes that not all mail considered confidential or sensitive in nature will be marked as confidential on the envelope, therefore we have identified the need to revise the procedures for the handling of these items in order to mitigate the risk of the unauthorized disclosure of confidential or sensitive information.

**Control: Control 1**

The BSCC established the following procedures in order to mitigate the risk of the unauthorized disclosure of confidential or sensitive information, which could be caused by BSCC Support Staff inadvertently opening incoming confidential or sensitive mail due to it not being marked as confidential on the envelope.

BSCC Support staff will continue to identify any mail marked confidential, date stamp the outside of the envelope, leave it unopened, and forward it to the appropriate staff. Mail

not marked confidential that may contain confidential or sensitive information, including mail received from, but not limited to, the Employment Development Department (EDD) or State Compensation Insurance Fund (SCIF), shall also be date stamped on the outside of the envelope and left unopened. BSCC Support staff will then place the mail in the HR manager's office and send an email to the HR Manager and Admin Deputy Director indicating potential confidential mail has been received. If the mail is received on a telework day, the HR Manager will go into the office to retrieve the item(s) and process it accordingly.

**Risk: Risk 4**

**Risk: #4 – Administrative Policy Updates**

All BSCC policies are stored on the shared drive and can be accessed by all BSCC employees. Although policies are updated periodically, the BSCC recognizes the potential risk involved in keeping outdated policies and/or employees not being aware of existing policies.

**Control: Control 1**

The BSCC will establish an annual review schedule of all policies, and revisions will be made as necessary. Following the review and revision process, policies will be distributed to all staff informing them of any changes. A link to all BSCC policies will be distributed annually, as well.

The BSCC will review and revise at least 50% of all policies by December 31, 2024.

**CONCLUSION**

The Board of State and Community Corrections 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.

**Kathleen Howard, Executive Director**

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