December 23, 2025

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

Dear Director Joe Stephenshaw,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Office of Emergency Services submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Lisa Ann L. Mangat, Chief Deputy Director, at (916) 845-8542, Lisa.Mangat@caloes.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Cal OES' strategic plan presents the ongoing vision of Cal OES, which is to be the leader in emergency management, homeland security, and public safety through dedicated service to all, by building a safer, more resilient California, leveraging equitable and inclusive partnerships, developing a diverse and empowered workforce, enhancing our technology to ensure accessibility and inclusivity, and fostering a culture of continuous improvement that values the unique contributions of individuals from all backgrounds.

The mission for Cal OES is to protect lives and property, build capabilities, and support communities for a resilient California. Cal OES achieves its mission by serving the public through effective and culturally responsive collaboration in preparing for, protecting against, responding to, recovering from, and mitigating the impacts of all hazards and threats.

The Cal OES mission is built upon the following seven strategic goals:

1. Anticipate and enhance prevention and detection capabilities to protect our state from all hazards and threats.

2. Strengthen California's ability to plan, prepare for, and provide resources to mitigate the impacts of climate, disasters, emergencies, crimes, and security events.

3. Effectively respond to and recover from both human-caused and natural

4. Ensure and maintain fiscal and program integrity, through effective and appropriate community-based support and administration of state and federal funding allocated to

our programs.

5. Develop an inclusive, united, and innovative workforce that is trained, experienced, knowledgeable, and ready to adapt and respond.

6. Strengthen capabilities in public safety communication services, technology, and cybersecurity enhancements.

7. Develop trauma-informed, victim/survivor-centered programs and support victim service providers so victims of crime in California receive the services they need.

Control Environment

Cal OES is committed to providing a professional and supportive work environment, and all employees of Cal OES and those working on Cal OES' behalf are expected to adhere to a values statement. Cal OES relies on integrity and ethics to guide its strategic goals with assistance from the following **essential values:**

- **Integrity:** Cal OES maintains trust by fulfilling its mission with honesty, accountability, and
- **Equity:** Cal OES promotes equity, fosters community resilience, and protects communities impacted by emergencies, addressing the unique needs of diverse
- **Service:** We are dedicated to carrying our duties and responsibilities with a shared commitment to our mission.
- **Respect:** Cal OES embraces and harnesses the power of diversity within our organization, throughout our communities, and among our partners demonstrating concern, cultural humility, and compassion for all.
- **Resiliency:** Cal OES promotes safe and prepared communities with the strength to withstand or rebound from any event or emergency.

The control environment structure consists of the Director appointed by the Governor, assisted by two Chief Deputy Directors. One Chief Deputy oversees operational activities, and one Chief Deputy oversees policy and administrative activities. Oversight begins here and is communicated by means of a hierarchy of organizational support sections and seven divisions of operations.

Cal OES Organizational Structure:

- <u>Executive Leadership</u>

  - Organizational Support Branches
  - Divisions:

    - Planning, Prevention, and Preparedness
    - Response Operations
    - Recovery Directorate

- Finance & Logistics Administration
- Seismic Safety Commission
- Homeland Security
- Public Safety Communications

To evaluate program effectiveness and demonstrate Cal OES' success in meeting its strategic goals and objectives, Cal OES maintains the Office of Performance Management (OPM). This office assists programs in developing performance metrics to measure and evaluate progress in achieving its goals and objectives, and assists in maintaining the strategic plan. The Office of Internal Audits (OAI) assists these same programs to manage risk associated with their most important strategies, goals, and objectives.

Other structural components in the control environment include:

- Policy and Administration: Maintains standards of conduct, provides oversight of the internal control system, assigns and delegates authority, demonstrates a commitment to competency, recruits and retains talented individuals, and enforces accountability.
- Legal Affairs: Provides sound legal advice, creative solutions, and effective risk management to support and empower internal stakeholders to serve as leaders in emergency management.
- Office of Diversity, Equity, and Inclusion: Committed to a safe environment free of discrimination for all employees and visitors.
- Office of Access and Functional Needs: Identifies the needs of individuals with disabilities and access or functional needs before, during, and after disasters and integrate them into the State's emergency management systems.
- Disaster Logistics: Responsible for building logistical capabilities across the state, to store, transport, and deliver supplies in the most efficient manner possible.

Each branch/program maintains its own sub-system of policies and procedures (internal controls) related to its own objectives and reports key objectives upward through the chain of command and to OPM. Cal OES also maintains a library of agency-wide objectives, directives, policies, procedures, and guidance available to employees on a secure private network.

Other strategic information and internal controls is available to the public on Cal OES' website at https://www.caloes.ca.gov/.

Cal OES enforces its policies, procedures, and related controls within a chain of command system. Chain of command starts with the Director and the two Chief Deputy Directors, and flows through to second- and third-line managers, and further, to front line supervisors and process level staff.

OPM gathers and analyzes agency-wide data on branch and division objectives, including S.M.A.R.T. [1] objectives. OAI performs risk assessments, and then performs audits of

operational areas with significant risks to Cal OES' operations. Audit reports are submitted to the Chief Deputy Directors, who enforce recommendations for areas of improvement.

[1] Specific, Measurable, Achievable, Relevant, Time-bound (SMART)

Information and Communication

Cal OES maintains a high-quality and efficient information sharing structure. Policy directives are distributed through memorandums via intra-office mail and email, and also placed in a library on the Cal OES intranet. In addition, teleconferences, virtual meetings, monthly senior management and leadership meetings, and all-staff meetings are used to disseminate a variety of information related to Cal OES objectives, from continuous improvement programs such as daily internet and email job postings, to information sharing meetings among information technology professionals from various agencies, to the "Empowerment Hour," a series of courses that provides relevant development opportunities, and increases employee participation and engagement throughout the Organization. Also included is the Employee Engagement video series, "I am Cal OES," now reimagined and run by the Office of Crisis Communication and Public Affairs.

As a valuable and established communications process, Cal OES requires each program to provide monthly updates to include program accomplishments, key topics, and issues and challenges uncovered during regular business operations. These updates are gathered within presentation slides and reviewed by the Executive team. Cal OES also encourages senior managers to update their teams on a regular basis on the issues discussed during the leadership and senior management meetings. Each Cal OES program area has developed performance objectives and measures to advance its mission and improve its operational efficiencies throughout the agency. Each performance measure is aligned to one of the seven Cal OES strategic goals and presented to senior leadership using the above process.

Internally, OPM tracks the status of performance objectives and updates them quarterly, using an online application that depicts each program's progress using charts and other visual metrics. The application allows executive leadership to monitor organizational performance and risks to objectives. As a result, relevant internal controls can be developed in relation to Cal OES operations, reporting, and compliance objectives, and also across all levels of organizational structure from executive level down through to the functional level.

Cal OES managers and supervisors maintain an open door for the reporting of areas of improvement. Reports are further communicated through regular management meetings and via the chain of command. Deficiencies or violations in controls and/or policy can also be reported through OAI, which also receives whistleblower complaints.

Furthermore, Cal OES also maintains a secure network of file storage and database programs to process entity level and branch level operations, and to facilitate record keeping.

Externally, relevant information intended for the public is posted to the Cal OES website, or through the Office of Crisis Communications and Public Affairs, who disseminates information via traditional and social media. Cal OES also relies on the California Governor's Office of Emergency Services Correspondence Manual that guides all employees when communicating with the public or other agencies.

MONITORING

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Office of Emergency Services monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Christina Curry, Chief Deputy Director; Lisa Ann L. Mangat, Chief Deputy Director.

Monitoring Activities:

Cal OES holds monthly meetings with senior leadership and senior management to discuss and share current key topics and objectives, cross-cutting issues, and any current challenges.

Additionally, the executive staff meets weekly to discuss current and pending issues and share key information from their respective divisions. As part of the preparation for the monthly senior leadership meetings, senior managers are asked to provide updates of their accomplishments and any current issues or challenges they may be facing, as well as status updates on objectives, risks, and internal controls. This information flows from functional and process level to executive level and back, and cross-sectional, from each program to other programs, and from each divisional group to other divisional groups. Subsequently, a baseline understanding of the effectiveness of Cal OES' internal controls is established as a starting point for monitoring activities. This baseline is the condition of an established control at a point in time, and assessed against the intended state of the control. If a current control does not meet the agency's intended result, the control is modified and/or the design of the control system is remediated, and will continue, modify, or close the agency's effort to bring the baseline to its intended level of operation.

All of the updates are compiled into a presentation slide deck and are presented to senior managers and executive leadership for their review and necessary action. The management team is asked to share the information contained in the slides with Cal OES staff, supervisors, and managers. Additionally, as noted above, the branches and divisions update the status of

their objectives on a regular basis, which is provided to, and reviewed by Executive Management who monitors progress on a regular basis.

Addressing Vulnerabilities:

Cal OES unit monitors have been identified throughout each program and administrative area. The unit monitors will track and develop controls for the risks identified during the department-wide risk assessment process. Furthermore, any internal control deficiencies identified during routine, ongoing monitoring, will be shared with the unit monitor and respective management team. Once internal control deficiencies are identified, corrective action plans will be developed and monitored by unit monitors on a quarterly basis, until fully corrected.

Ongoing Monitoring Compliance:

Cal OES has incorporated compliance with the requirements of California Government Code sections 13400-13407 into OAI's reporting, compliance, and operations processes, as well as its strategic planning process. These processes include reviews, evaluations, and improvements to Cal OES's systems of controls and monitoring.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Office of Emergency Services 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, 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, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: 1

Cal OES Workforce Continuous Improvement

Cal OES' Organizational & Professional Development (OPD) Branch falls under the Finance & Logistics Administration Directorate. The Branch is responsible for measuring and tracking Cal OES' performance in meeting its strategic plan goals, and supporting the professional development of Cal OES' diverse and multi-talented workforce.

OPD is made up of two units: 1. Organizational Performance Management (OPM) who ensures enactment of the Strategic Plan, generates regular reports on Cal OES' operations, and directs and oversees the Employee Recognition and Summer Intern Programs. And 2. the Talent Development Division (TDD) develops, implements, and maintains the Cal OES Workforce and Succession Management Plan (WFSMP), monitors the implementation of several short- and long-term workforce initiatives, and manages and facilitates professional and leadership development opportunities.

One objective of the TDD is to ensure the vision, strategy, and corresponding plans for workforce and succession management and its initiatives align with Cal OES' goals and objectives, while helping to provide an adequate pool of qualified talent. A risk to this objective is that key personnel could be leaving employment with Cal OES in the near future. Recently, we confirmed that approximately 11 percent of the total workforce is within five years of retirement eligibility, nearly 38 percent of the workforce is 50 years or older, and an increased number of voluntary separations within the organization are likely. Retention challenges include a workforce who is slowly aging, competition from career advancement, choices within work-life balance, and the maintenance of employee engagement as an important factor in career longevity.

In addition, disaster activations, increased workload from vacancies, and changes in management priorities could impair already threatened workforce levels. The result of retirements and turnover could negatively affect key positions with a loss of valuable knowledge and critical work functions, ultimately creating challenges across the organization.

The following are controls that were already in place and continue to reduce the above risk as intended.

1. A monthly Attrition Rate Report to assist Human Resources (HR) management with making more informed and proactive decisions about retention and employee turnover.

2. Quarterly Workforce Survey Reports issued to directorates to assist with employee engagement.

3. Quarterly Workforce Planning Report issued to directorates to assist with recruitment and retention efforts.

4. Entrance, mid-point, and exit surveys designed to capture employee experiences and insights at critical stages of their tenure, for employee retention, leadership development, and succession readiness.

5. Biennial Employee Satisfaction Survey designed to engage employees and elicit workplace enhancement suggestions, improving morale and employee retention.

6. A regular video feature entitled "I am Cal OES" that spotlights amazing staff accomplishments, improving morale and employee retention.

7. An annual Director's Award event that recognizes the highest achievements from staff of all Directorates in the organization from the past year, improving morale and employee retention.

8. Quarterly Award program templates that can be tailored to individual programs and Directorates, improving morale and employee retention.

9. A Mentoring Program promoting the transfer of institutional knowledge from experienced employees to new employees, increasing professional development and growth, and enhancing job satisfaction.

Control: A

To continually improve and further reduce the risk of a less than optimal workforce, the following were recently implemented:

1. Added inclusive language to job postings and duty statements to attract a diverse applicant pool: *"In alignment with our commitment to diversity, equity, inclusion, and accessibility, all Cal OES employees are encouraged to promote and foster an equitable and inclusive workplace environment."*

2. Employed LinkedIn Recruiter to reach out directly to qualified candidates via InMail, guiding them to open positions and supporting them through the

application process.

3. Launched a bi-weekly live webinar, "How to Get a State Job," to assist external candidates.

4. Implemented promotion of vacancies via Work for Warriors, California Emergency Services Association (CESA), and other paid job sites as needed.

5. Implemented regular posting of targeted graphics on Cal OES' LinkedIn page to spotlight hard-to-fill roles.

6. Implemented partnerships with local universities and community colleges to attend career fairs.

7. Implemented a Career Counseling Services (CCS) program to assist employees with career development.

8. Implemented a CEA/Appointee Orientation (CAO) designed to inform new leaders on various topics, including organizational background, state processes, and leadership development.

9. Added "DEI" training component to the Supervisor Success Academy and will host a future DEI monthly Empowerment Hour series

In addition to the recently implemented controls that are working as intended, the following new controls are currently being developed and scheduled for implementation:

- Expansion of the current controls to an agency-wide DEI training initiative to support equity values.
- The DEI monthly Empowerment Hour meeting series.

CONCLUSION

The Office of Emergency Services 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.

Nancy Ward, 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