

December 31, 2021

Wade Crowfoot, Secretary  
California Natural Resources Agency  
715 P Street, 20th Floor  
Sacramento, CA 95814

Dear Secretary Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Parks and Recreation submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact  
Crystal Flores, Assistant Deputy Director of Administrative Services, at (916) 708-0532,  
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## **GOVERNANCE**

### **Mission and Strategic Plan**

The mission of the Department of Parks and Recreation (Department) is to provide for the health, inspiration, and education of the people of California by helping to preserve the state's extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation.

The Department manages the Off-Highway Motor Vehicle Recreation Program, the Division of Boating and Waterways, and the Office of Historic Preservation. This report facilitates responsibilities for the following entities:

- Department of Parks and Recreation
- Parks and Recreation Commission
- State Off-Highway Motor Vehicle Recreation Commission
- California Boating and Waterways Commission
- State Historical Resources Commission

During 2021-22 a new multiyear Strategic Operations Plan is being worked on and finalized through the participation of more than 100 employees, supervisors, and managers from headquarters and all four operational divisions.

### **Control Environment**

The Department has created an effective control environment for addressing departmental risk, which involves all levels of management and includes the Director, Chief Deputy Director, other deputies, and program leads. Executives demonstrate integrity and ethical values and serve as an example by facilitating and monitoring employee compliance with Departmental Ethics Training and Departmental Policy which is divided into two separate manuals: The Department Administration Manual (DAM) and

the Department Operations Manual (DOM). DAM and DOM are used to establish controls, codes of conduct, including mechanisms for employees to engage in and report ethical concerns, etc. DAM and DOM are periodically updated, and changes are communicated to staff via Transmittal Memo, or Departmental Notices. Oversight is performed internally by the State Parks Directorate, Internal Audit Unit, and the Natural Resources Agency. As part of the Departmental Transformation initiative, the Transformation Team conducted a workforce competency assessment, which has been utilized to develop a comprehensive workforce competency training program. The Department utilizes state employee performance management processes to communicate and enforce employee accountability. Finally, the Department re-established the Workforce Planning and Recruitment Office (WPRO) in 2018 to establish and maintain a competent workforce by establishing a workforce planning and recruitment program that attracts qualified candidates that are representative of California's diversity, and further develops existing staff skillsets.

### **Information and Communication**

The Department is committed to communicating effectively. External communication is coordinated through the department's Public Affairs Division, which manages media relations, publications, the external website, and social media. The Director engages with external stakeholders at various meetings, including the Parks and Recreation Commission meetings, Off-Highway Motor Vehicle Recreation Commission meetings, California Boating and Waterways Commission meetings, State Historical Resources Commission meetings, and through media releases. Additionally, program and policy initiatives invite stakeholder and public participation throughout the year.

Internally, monitoring roles, responsibilities, actions, and results are discussed on a weekly basis during Executive Staff meetings, Park Operations Chief meetings, Park Operations Policy Group meetings, and Administrative Services Roundtable meetings. Branch managers discuss monitoring results during routine meetings with staff members. Throughout the meetings identified above, communication centers on monitoring activities, control enforcement, implementation, control deficiency remediation, efficacy, and any potential changes needed. To the extent a new vulnerability or internal control deficiency is identified, and based on the nature of the deficiency or vulnerability, remedies will be discussed via the mentioned processes and meetings. Additionally, the Administrative Division regularly produces a newsletter for all staff to provide updates, guidance, and best practices.

### **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 Parks and Recreation monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Crystal Flores, Assistant Deputy Director of Administrative Services.

The Department has created a structure for reporting and documenting monitoring activities that involve all levels of management and includes the Director, Chief Deputy Director, other deputies, and program leads. Deputy Directors, or delegates as appropriate, from each programmatic area of the Department serve as unit monitors. Through our ongoing monitoring processes, the Department reviews, evaluates, and improves our internal controls and monitoring processes systems. The Department has implemented a platform for risk monitoring in which key Executives review sensitive

issues during the weekly Executive Staff meetings. These sensitive issues are well documented, and progress is tracked weekly. The general framework for ongoing monitoring activities includes designated employees to monitor and report, continuous planning and prioritizing of monitoring activities as control environments change, biannual monitoring and result updates as necessary, and annual evaluations conducted by unit monitors to determine emerging risks and analyze control efficacy, implementation, and corrective action plan results.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the Department of Parks and Recreation 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, other/prior risk assessments, questionnaires, and performance metrics.

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

The Department performed a risk assessment to determine which risks and controls have the greatest potential to impact State Parks' ability to fulfill its mission and meet its business objectives.

This risk assessment used information from each major departmental function. These program areas included the following:

- Park Operations
- Division of Boating and Waterways
- Off-Highway Motor Vehicle Recreation
- Administrative Services Division
- Law Enforcement and Emergency Services
- External Affairs
- Office of Historical Preservation
- Acquisition and Development
- Legal Office
- Public Affairs

The top risks for each respective programmatic area/division/function were reviewed and ranked.

Risk Ranking - Feedback was gathered and analyzed by the Assistant Deputy Director of Administrative Services, a representative from Park Operations, Natural Resources Division, Human Resources Section, Training Section, and Accounting Section. Based upon the analysis of these individuals and a decision-making process that placed greater importance to risks that could be mitigated without the need for additional funding, the risks presented in this report were chosen.

## **RISKS AND CONTROLS**

### **Risk: Deferred Maintenance Backlog**

The Department has not been able to fund ongoing maintenance sufficiently over the past few decades, resulting in a large backlog of deferred maintenance projects. This leads to chronic deferred maintenance, infrastructure deficiencies, and can affect the longevity and usefulness of the Department's facilities.

#### **Control: A Prioritization of One-Time Funds**

The Department has developed a comprehensive approach to allocate funds to the most critical items first (health and safety, code compliance, and operations). As new funding becomes available, fund allocations will be assigned with the same approach, until all risks are controlled at the most efficient level of acceptance. The Department will continue to prioritize its allocation of ongoing permanent maintenance staff to mitigate further growth of the deferred maintenance backlog.

### **Risk: Impacts of Climate Change**

Climate Change does not pose a single risk but instead will amplify and exacerbate a range of other threats to park visitors and resources. Some of these other risks are best seen in other sections – such as emergency response and the impact on cultural and natural resources – nevertheless, the following specific examples can serve as illustrative examples of application specific approaches.

#### **Sea Level Rise**

The Department manages roughly 25% of the state's coastline and will experience increased coastal flooding – impacting the built infrastructure, and natural and cultural resources – in the coming years and decades.

#### **Forest Health and Wildfire**

The Department owns roughly 300,000 acres of forest land and has been impacted by climate driven disturbances such as widespread tree mortality and recent large and destructive wildfires. Additionally, a large number of the Department's facilities are within or adjacent to areas prone to wildland fires. Several parks have been significantly impacted by wildfires in the past few years resulting in the loss of multiple key administrative and visitor-serving facilities.

#### **Intense Winter Storms**

Over the past several years, powerful winter storms have caused significant damage to Department facilities, such as roads and trails being damaged by mudslides. This situation is exacerbated by the significant backlog in deferred maintenance projects designed to maintain roads and trails to address erosion and provide proper stormwater drainage.

### **Control: A Sea Level Controls**

The Department has implemented a number of site-specific responses to coastal erosion, drawing on current information and predictive models to institute a suite of projects to build resilience in coastal infrastructure and park units.

Drawing on interagency and interdisciplinary information, the Department has completed the development of a Sea Level Rise Adaptation Strategy that will guide future planning and project implementation activities. Funds appropriated in FY 2021-22 will support the development of several “decision support tools” that will better incorporate emerging best practices into planning and implementation efforts. Funds will also allow the department to initiate a number of demonstration-scale sea level rise resilience projects that will help make park resources and facilities more resilient to Sea Level Rise as well as help demonstrate efficient and replicable pathways for application elsewhere along the coast.

### **Control: B Forest Health and Wildfire Controls**

The Department is one of a number of state landowner agencies working to address the growth in large and destructive wildfires in recent years through collectively working to increase the pace and scale of forest management, including fuel reduction and prescribed fire.

The Department has implemented numerous fuel reduction and forest management projects in recent years, completed an interagency MOU – and funding agreements – with Cal Fire to collaboratively address prescribed fire and other fuel treatment efforts. Funding appropriated in FY 2020-21 “Early Action” measures and in FY 2021-22 will support a further increase in pace and scale of forest management actions intended to attenuate wildfire severity and restore natural forest and fire management regimes across the landscape. Numerous projects and district (park/region) level programs are currently under development and will be implemented in the coming years.

### **Control: C Prevention and facility hardening**

The Department’s large deferred maintenance backlog includes a significant number of sea wall projects, facility relocations and fuel reduction projects that have not been completed on a regular basis to maintain public safety, safe fuel levels and defensible spaces around its facilities.

Recent one-time funding has allowed the Department to increase its efforts to reduce fuel loads and create defensible spaces and to “harden” facilities by installing fire resistant materials. Appropriations in FY 2021-22 associated with the enactment of AB 3074 (2020) will allow for on-going work to address this backlog.

### **Control: D Emergency response and protection**

Using lessons learned from previous events, the Department has pre-positioned flood and fire response resources in strategic locations throughout the state. Such items include fire-resistant gel to be sprayed on vulnerable facilities if threatened by fire and resources to move and/or protect sensitive artifacts and collections. The Department has also continued to invest in training for an increasingly broad cross section of its staff in emergency response practices and processes.

### **Risk: Workforce Planning and Recruitment**

The Department lacked specific workforce planning or recruitment efforts for the past twelve years and is now facing critical vacancy rates in several districts throughout the state for several classifications. Per the Department of Parks and Recreation 2019 Leadership Accountability Report, classifications identified as high risk are the State Park Peace Officers (series), Communications Operators, Park Interpreters, and the Facilities and Maintenance classifications. The specific data for determining causation is unavailable. Some causes may include high retirement rates without enough qualified persons to fill the positions through natural career progression, antiquated hiring systems, a lack of competitive salaries, and a competitive job market.

#### **Control: A Workforce Planning and Recruitment Office**

The Department re-established the Workforce Planning and Recruitment Office (WPRO) in 2018 to develop workforce planning and recruitment for qualified candidates that are representative of California's diversity. The WPRO was strategically moved under the Administrative Services Division from the Community Engagement Division to enable WPRO to assess applicant interest, receive human resource training, and implement a better process of recruitment, evaluation, and hiring of candidates. The WPRO is implementing various programs to ensure recruitment is ongoing, developing resources for job seekers, and promoting the Department as a workplace of choice. The WPRO will also be offering career development support to current employees by offering advice on career strategies, skills, and knowledge acquisition. Efforts include Department-wide coordination of recruitment for specific classifications through resource material development, prioritizing Parks' specific exams, marketing, and determining target areas. The WPRO will establish a complete list and number of vacancies by division which allows us to prioritize and track improvements, proposed solutions, and the success of efforts in recruitment and hiring for the entire department.

### **Risk: FI\$Cal Payments and timely Financial Reporting**

Many of the processes under FI\$Cal, such as procurement and vouchers, now take longer for staff to perform, with more steps required to complete day-to-day business activities. The more complicated processes have decreased efficiency and have caused delays in most procurement processes from creation of purchase orders to the payment of invoices. The procurement process takes approximately three times longer than in the old system, in part because each payment is an individual reconciliation that the staff member must process, whereas previous practice allowed multiple invoices to be paid in a single step.

Due to the delay in the payment of invoices, vendors have found themselves in financial hardships. Some vendors are greatly affected with our delay in payment of invoices as they do not have the financial means or stability to carry the debt it creates. In some areas, that particular vendor is the only vendor that provides a certain service or utility, therefore the damaged relationship has major impacts to the parks it services. Some districts, especially in the more remote areas, must drive hundreds of miles to obtain certain operating equipment and utilities because the vendors in their area refuse to provide services.

Additionally, due to the implementation of FI\$Cal and constant process changes, Year-End Financial



Reporting and Financial Statement deadlines have been and continue to be a challenge. This impacts the credibility of the Department and the State as a whole. One of the main issues, is due to a FISCAL limitation where departments are unable to start the reconciliation process of current year financials until the prior year is closed. Which means we are constantly trying to catch up. Moreover, the Department has accounting staff that are burned out and leaving and/or retiring because of the amount of overtime and weekends they have worked the past four years.

### **Control: A Staffing and Procedural efficiencies**

The Department is diligently working on mitigating this risk by implementing process and procedure improvements, addressing vacancies, and implementing more training (refreshers and new). Improvements and controls for processing payments and more timely financial reporting include redirecting staff and supervisors, addressing vacancies through improved recruitment processes, and reviewing/updating current processes and procedures for additional efficiencies. The Department will also continue to create and review databases to improve workflow. Due to ongoing FISCAL modifications and enhancements, continuous training for accounting and field/department staff is imperative. Training helps with the accuracy of information in the system reducing corrections and processing timelines.

### **Risk: Telework**

The Department lacks a formal telework program, policy, and procedures. Government Code, Sections 14200 – 14203, govern the State Employee Telecommuting Program. As part of these regulations, each state agency was required to develop and implement a telecommuting plan by July 1, 1995, as part of its telecommuting program in work areas where telecommuting is identified as being both practical and beneficial for the organization. Prior to the COVID-19 pandemic, the Department had not developed or implemented a plan or program for telecommuting (now referred to as telework). On October 1, 2021, a revised Statewide Telework Policy (SAM 181) went into effect which requires all state departments to implement a Telework Program by October 1, 2022.

### **Control: A Create and implement a Telework Program**

The Statewide Telework Policy (SAM 181) requires departments to establish or revise their telework program by October 1, 2022. The Department's telework program is currently in development. Additionally, all state departments are required to report telework program data to the Department of General Services intended to measure the results of adopting a telework program. The Department has developed a draft telework policy that aligns with the Statewide Telework Policy and supports the Department's larger strategic goals of a hybrid workforce. It will be submitted to the Department of General Services by January 31, 2022, for review and approval prior to implementation. Further, the Department designated a Telework Coordinator (TWC). The TWC will manage the Department's Telework Program, including serving as an advisor to department leadership in the development, implementation and maintenance of the Department's telework program, policy, and procedures; acting as the Department's designated point on contact regarding telework matters; reviewing telework agreement forms for compliance and retaining records for each teleworker; and tracking and reporting metrics to ascertain the effectiveness of the Department's telework program.

## **Risk: COVID-19**

The COVID-19 pandemic has impacted the Department in many ways. Most significantly in the areas of Human Resources antiquated technology, increased retirements, Health and Safety, and Training.

### **Human Resources Technology**

Human Resources (HR) has experienced challenges with productivity and effectiveness over the years due to manual processing and tracking of workload and workflow using paper and spreadsheets for all HR-related tasks. This methodology results in increased opportunity for error, long processing times, customer dissatisfaction, lack of efficiency and effectiveness. The COVID-19 pandemic has only heightened these issues. Continuing to operate in this manner will critically impact the sustainability and success of the operations of the California State Park System.

### **Increased Retirements**

Since the onset of the COVID-19 pandemic, the Department has seen a significant increase in retirements. Historically, the month that is in the best interest for an employee to retire is December since the retiree will receive the first Cost of Living Adjustment the following May 1. The retirements in December only rose by 5 between 2020 and 2021 but the data shows that in 2020, there was a significant increase in retirements in other months. In 2019, there were 38 retirements, followed by 138 retirements in 2020, and 84 retirements through November 2021.

### **Health and Safety**

The COVID-19 pandemic has affected the lives of every American. The transmission of SARS-CoV-2, the virus that causes COVID-19, has occurred in many workplaces, including the state government. The new Delta and Omicron variants are highly infectious and can spread from person to person, including through aerosol transmission of particles produced when an infected person exhales, talks, vocalizes, sneezes, or coughs. The virus that causes COVID-19 is highly transmissible and can be spread by people who have no symptoms.

### **Training**

COVID-19 has impacted our Department in Training from the beginning of the Pandemic. Trainings were canceled due to obvious safety concerns. In turn, this has led to virtually no Instructor-Led Trainings wherein students gather and learn in a classroom environment. Our workforce has been radically hindered in both workforce planning and succession planning. Without adequate professional development, employees are less capable of fulfilling their current responsibilities and under-qualified to replace outgoing seasoned leaders, who are currently retiring at record levels.

### **Control: A Human Capital Management System**

Acquire a digital web-based solution for managing and optimizing the daily human resources tasks and overall HR goals of the department. Parks Information Technology Governance committee has approved working towards the acquisition of a Human Capital Management system(HCM). HR and IT will begin working together through the Project approval Lifecycle to procure an automated end-to-end solution. The automation of workflow and processes will ensure efficient, effective and timely processing of all HR related tasks, provide accessibility from any device, improve service



delivery, and include data tracking to support key performance indicators.

**Control: B Implement a Workforce Strategy**

The Department will develop and implement a workforce strategy plan which will guide future succession planning. This will include the identification of critical vacancies and methods to fill them. The Department will also monitor retirements and vacancy rates in order to target areas of opportunity where we are most deficient.

**Control: C Health and Safety**

The Department has addressed the risk of exposure by implementing workplace controls such as communicating safe work practices, implementing a regular testing program, guiding the use of personal protective equipment, and following state, county, and city regulations. The Department is working on updating the COVID-19 Prevention Plan to help further guide the safety of our employees.

**Control: D Implement Training COVID Protocols**

A state-of-the-art learning management system (LMS) with enhanced compliance-tracking features was purchased to assist with mandated Training and enhance Training COVID Protocols. Employees are more easily notified when they are required to take mandatory trainings and this system allows course owners to house classes entirely online for the first time in Department history. A continuous campaign is under way to inform course owners throughout the Department that they can now put their courses entirely online, thus allowing students to attend virtual trainings, lessening their risk of exposure to COVID-19. The Training Section is also offering course owners complete assistance in online course creation and implementation. In the case of classes that are required to be Instructor-Led, COVID-19 protocols have already been developed at our State Parks Law Enforcement Academy in Butte County. We are currently working on a plan to be consistent with these protocols in each city and county that we deliver training in to ensure minimal to no exposure in our classes.

**CONCLUSION**

The Department of Parks and Recreation 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.

**Armando Quintero, 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