

December 31, 2025

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, 2025.

Should you have any questions please contact Lisa Jaycox, Assistant Deputy Director of Fiscal Services, at (916) 296-9876, lisa.jaycox@parks.ca.gov.

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 2025 the new multiyear Strategic Operations Plan, Path Forward, is being implemented after being formally presented on February 08, 2024. This plan, developed through the participation of more than 100 employees, supervisors, and managers from headquarters and all four operational divisions, will help guide the department through the next five years.

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.

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 stakeholders and public participation throughout the year.

Internally, monitoring roles, responsibilities, actions, and results are discussed on a routine 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: Lisa Jaycox, Assistant Deputy Director of Fiscal 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 biweekly 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.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, questionnaires, and other.

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

Feedback was gathered and analyzed by the Fiscal Services Assistant Deputy Director, Deputy Director of Administrative Services, and Assistant Deputy Director of Park Operations. Based upon the analysis of these individuals and a decision-making process that placed greater importance on 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. The Department's request to increase its annual allocation from the Highway User Tax account for its road and bridges program was successful. The additional funding will enable the Department to increase road and bridge maintenance, slowing the growth of these types of deferred maintenance projects, while also funding high-priority road and bridge deferred maintenance projects.

Control: Prioritization of One-Time Funds

The Department has developed a comprehensive approach to allocating 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: 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, completing the development of a Sea Level Rise Adaptation Strategy that will guide future planning and project implementation activities.

Funds were invested in the development of more than 20 demonstration-scale sea level rise resilience projects; however, these investments were halted as part of the solution to the budget deficit which leaves the department without dedicated resources to continue to address this risk. We anticipate losing facilities and public access in future years as there will no longer be mitigating strategies

to address this risk. However, the voters approved Proposition 4 in November 2024 which provides \$50 million in funding to support the Sea Level Rise efforts, as these funds are appropriated, the Department anticipates the ability to restart and advance this work in the coming years.

Control: 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 have supported 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 have been implemented in more than 100 State Park Units, while others are currently under development and will continue to be implemented in the coming years.

Control: Prevention and Facility Hardening

The Department's large deferred maintenance backlog includes a significant number of seawall 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.

Prior 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. This work will continue as funding is available to address wildfire risks and forest restoration opportunities.

Control: Emergency Response and Protection

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. Work continues in this arena, along with a suite of physical restoration projects to restore damaged facilities and resources, along with the work to secure reimbursement from the Federal Emergency Management Agency.

Risk: Resource Management

The Department has faced significant challenges in the State Park and Recreation Fund (SPRF) as revenue has not kept pace with the rising operating costs caused by inflation. This revenue shortage has caused Districts to face staffing shortages by keeping positions vacant to offset the cost of operating those Park Units.

Control: Review Fee Schedule

The Department is reviewing a variety of data collected through disparate systems and methods to determine what type of fee increase should be considered to allow adequate staffing and operation of Park Units and Districts.

The Department launched a new reservation system on August 1, 2024, offering enhanced functionality to support increased revenue opportunities. The Department is also reviewing current fee schedules to identify the last adjustments and completing a regional fee analysis to compare State Parks fees with those of nearby parks.

Risk: Outdated Human Resources and IT Systems

The Department's reliance on manual Human Resources processes, outdated technology systems, and limited digital infrastructure creates operational inefficiencies, increases the risk of errors, and affects the Department's ability to meet service and data security requirements.

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 errors, long processing times, customer dissatisfaction, lack of efficiency and effectiveness and difficulty collecting and reporting key data to support the workforce. While HR has implemented a system to track and document case management, many personnel files and related processes remain partially manual or stored in mixed formats. This limits efficiency, complicates record retrieval, and restricts the Department's ability to standardize workflows and reporting. Continuing to operate in this manner will critically impact the sustainability and success of the operations of the California State Park System.

Information Technology

The IT Division does not have the technology and tools and resources available to adequately support the data and electronic workflows needed by the Department to ensure appropriate data security, access and connectivity resulting in a backlog for IT projects and services. IT has made progress improving certain processes and infrastructure; however, additional enhancements are needed to fully support the transition to enterprise-wide digital processing and consistent data-tracking capabilities.

Without continued modernization, the Department faces risks related to inconsistent file management, data integrity, and delays in accessing or reporting key information.

Control: Human Capital Management System

Continue to develop and improve the existing platform for managing and optimizing the daily human resources tasks and overall HR goals of the department. 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: Information Technology

Building on recent IT improvements, the Department will continue to improve processes and infrastructure. This includes improving system integration, identifying statewide needs and implementing plans to address these needs, and developing broader data-tracking capabilities.

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, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency