

December 30, 2021

Mark Ghaly, Secretary
California Health and Human Services Agency
1215 O Street
Sacramento, CA 95814

Dear Secretary Mark Ghaly,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Child Support Services 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 Kristen Donadee, Chief Deputy Director, at (916) 464-7034, Kristen.Donadee@dcss.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Department of Child Support Services (DCSS) promotes parental responsibility to enhance the well-being of children by providing child support services to establish parentage and collect child support.

Goals and Objectives:

Goal 1: Facilitate Consistent Support for Children

- Increase child support collections and payment reliability
- Recognize and provide individualized services to customers

Goal 2: Strengthen Customer Engagement

- Reduce the complexity of the customer experience
- Develop and implement new options for communicating with customers
- Enhance program outreach to deliver a clear and accurate image of our program to the public
- Expand efforts on recruitment, retention, and development of child support professionals

Goal 3: Enhance Program Performance

- Promote consistency of processes statewide
- Implement organization and program efficiencies

Goal 4: Build Collaborative Partnerships to Benefit Families

- Establish new partnerships to help reduce poverty
- Expand the use and sharing of data

Goal 5: Foster Innovation and Improve Service Delivery

- Expand data analytics
- Modernize the development and delivery of documents
- Expand customer self-service capabilities

Control Environment

The Department holds itself to the highest standards of ethical conduct. It ensures that all supervisors and managers attend required ethics, sexual harassment prevention, and information security training and pursues the progressive discipline process for managers who violate the state's standards and code of ethical conduct. Required trainings and standards of professional conduct are memorialized in DCSS' policies and procedures.

The Department has designated the Chief Deputy Director as the Executive Sponsor of the SLAA. The Chief Deputy Director ensures that biennially, the Enterprise Risk Management (ERM) Team leads a process of identifying risks to the organization. For this SLAA cycle, the ERM Team invited the Department of Finance to conduct a virtual training for all department supervisors and managers to understand how to define and identify risks. The ERM Team then disseminated a survey to all supervisors and managers to identify risks for their areas. The DCSS Executive Team encouraged all supervisors and managers to complete the survey and the Department met its goal of having a greater than 50 percent completion rate for each of its divisions. These risks are then rated based upon frequency of occurrence and severity and the most critical items added to the department's SLAA report.

Biannually, the ERM Team requests progress updates on the mitigation of SLAA risks from the risk owners. The Executive Sponsor reviews the responses, requests additional information, if necessary, or discusses with the risk owners other alternative risk mitigation strategies if the existing strategies do not appear to be working. The Executive Sponsor may also convene a larger meeting of department staff to discuss how to mitigate certain risks.

The Enterprise Risk Coordinator receives and tracks updates on risks throughout the year, makes recommendations for changes in risk mitigation strategies and approaches, collects newly identified risks from department staff, and updates the DCSS Executive Team on the status of department risks. The Enterprise Risk Coordinator also facilitates risk trainings for the Department and promotes risk awareness and prevention.

To ensure a competent workforce, the Department provides job-related technical training, in-house training, and on- the-job training. The Department offers an Employee Mentoring Program for staff to improve their skills and enhance their knowledge. The Department also has an on-site career center available to help staff research promotional and other career opportunities. The career counselor provides training to help staff prepare resumes, statement of qualifications, and for interviews. The career counselor also assists with completing job applications, resumes, and cover letters. The Department has a Workforce and Succession Plan in place to ensure a skilled workforce is maintained through knowledge transfer, recruitment, and retention.

The Department prepares performance reports and keeps them on file for each employee according to Government Code Section 19992-19992.4. The Department also follows California Code of Regulations, Title 2, Section 599.798 directing supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar

months after the completion of the employee's probationary period. The managers and supervisors follow-up with employees annually on their work performance and prepare probationary reports for employees on probation.

Information and Communication

The Department monitors roles through duty statements, policies and procedures, and organizational charts of responsibility. Management communicates effectively with weekly Director emails to all staff, weekly Teams posts sharing information from Executive Team meetings with all managers and supervisors, and weekly Executive Team meetings. Managers share this communication with their teams to effectively meet the mission of DCSS. The department's strategic plan and goals are posted and shared with staff and on the public website. The Department seeks opportunities for continuous learning both for all staff and leadership development to executive and management staff.

The Department has a formal Organizational Change Management (OCM) Program. OCM is designed to increase staff communication and to engineer channels of change within the department by engaging stakeholders early in the process to assess impacts for specific change initiatives.

To communicate to stakeholders, the department facilitates monthly stakeholder meetings with our Local Child Support Agencies (LCSAs) to inform them of ongoing change initiatives that impact them directly. The hope is that these efforts result in improved communication from leadership and a department that embraces change and improved communication across all internal and external channels.

The Department manages a public-facing website targeting both current and potential case participants with information about department programs and how to access them. A Video Resource Library that answers child support FAQs in short, easily understood videos is accessible to the public on YouTube, and links to these videos are posted on the department's social media platforms on Facebook and Twitter. The Department also manages an online customer self-service application through which customers can contact their caseworkers, receive appointment and other information, and track payments. LCSAs all use texting as a means of communication with customers after successful local pilot programs.

Through trainings held by the department (SLAA, Information Security, Ethics, Sexual Harassment Prevention) and policies and procedures, staff are encouraged to report inappropriate actions or risks to management, Human Resources, the Whistleblower Hotline, or the Equal Employment Office as specified in the policies and trainings.

The department has a process in place for reporting and monitoring risks with the ERM Program. An ERM Council was established and is made up of members from each Division. The Department is also in development of a Risk Management Application on Department's Teams site providing information about the department's ERM program and enabling employees to report and monitor risks electronically.

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 Child Support Services monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Kristen Donadee, Chief Deputy Director.

The Department established an Enterprise Risk Management (ERM) Program that maintains the responsibility to identify, track, and monitor all risks identified at divisional and enterprise levels with the intent to reduce the probability and potential impact of events before they become threats to ongoing operations. Risks are identified by management from routine activities including but not limited to meetings, key performance indicators, reconciliations, and operations. A detailed log of risks and associated controls is maintained and monitored bimonthly by the ERM Council.

Once a risk is identified, the Division Deputy or Assistant Director of the responsible business entity works with their managers to identify additional controls and mitigation strategies for the new or existing risks. The problem is evaluated, and a course of action is determined by related parties, including tracking corrective action. Timeframes for resolving deficiencies will depend on the nature and complexity of the identified deficiency or risk. Performance is tracked for identified risks and results discussed through the various communication channels mentioned previously. Any risks identified as high impact and/or likelihood by the ERM Council is presented to Executives for immediate action before the risk impedes ongoing operations. The Department's Office of Audits and Compliance performs an annual risk assessment and risk-based audits to ensure compliance with federal and state requirements and internal controls are in place.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of Child Support Services risk assessment process: executive management, middle management, and front line management.

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

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

RISKS AND CONTROLS

Risk: Information Security – Cyber Threat

The Department operates the Child Support Enforcement System, one of the largest IT Systems in the State. The current cyber threat environment continues to create risk of compromise to the department's security assets. Continued monitoring of network, infrastructure and computing platforms to detect and respond to potential information security threats reduces but does not eliminate such threats and risk.

Control: Information Security

The Department continues to monitor the network, infrastructure and computing platforms to detect and respond to potential information security threats, via security policies and protocols, including

but not limited to, training, encryption, intrusion detection, password and access controls. Enhancing the security of the Department's digital infrastructure and the creation of a culture of cybersecurity through collaboration, information sharing, and education and awareness leads to continuous improvement of the departmental security posture and reduces the threat of successful cybersecurity attacks.

CONCLUSION

The Department of Child Support 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.

David Kilgore, 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