December 21, 2017

Brian Kelly, Secretary
California Transportation Agency
915 Capitol Mall, Suite 350-B
Sacramento, CA 95814

Dear Mr. Brian Kelly,

In accordance with the State Leadership Accountability Act (SLAA), the Department of the California Highway Patrol submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2017.

Should you have any questions please contact Scott Silsbee, Deputy Commissioner, at (916) 843-3001, SSilsbee@chp.ca.gov.

BACKGROUND

The mission of the CHP is to provide the highest level of Safety, Service, and Security. This is accomplished through five Strategic Plan goals:

- Protect life and property
- Provide superior service to the public and assistance to allied agencies
- Enhance public trust through community outreach and partnerships
- Invest in our people
- Identify and respond to evolving law enforcement needs

To accomplish its mission, the CHP is committed to the following organizational values: Respect for others; Fairness; Ethical practices; and Equitable treatment for all. Additionally, CHP employees clearly understand the expectations and commitment through exhibition of the following professional values known as “CHP PRIDE.”

- Courage
- Honesty
- Professionalism
- Principles
- Respect
- Integrity
- Dedication
- Esprit de Corps
As a Department in state government within the California State Transportation Agency, the CHP is an organization governed by the California Vehicle Code (CVC) as the primary statutory source, which grants the CHP its administrative and enforcement authorities. Beginning with Section 2100, the CVC sets forth the position of the CHP within California state government and basic command structure. Internally, the CHP employs well established policies for every operational aspect of the Department, including 127 General Orders, 75 Highway Patrol Manuals, 12 Highway Patrol Guides, 9 Highway Patrol Handbooks, and numerous Information Bulletins and Management Memorandums. In 2010, the CHP was formally recognized internationally as an accredited law enforcement agency by the Commission on Accreditation for Law Enforcement Agencies (CALEA). In 2013, the CALEA awarded accreditation to the CHP Academy. In 2014, the CALEA bestowed accreditation to the CHP Communication Centers, and in 2016, the Airborne Law Enforcement Association awarded the Public Safety Aviation Accreditation to the CHP Office of Air Operations.

The CHP performs a variety of law enforcement services such as assisting motorists, investigating traffic collisions, and providing security for the Governor, other public officers, employees, constitutional officers, and the general public. Departmental employees perform their duties daily through numerous tasks, most of which are clearly seen in view of the public. A few examples of the enforcement services the CHP performs are speed enforcement, removing drug and alcohol-impaired drivers from the highway, combating vehicle theft, administrating driving under the influence checkpoints, and conducting distracted driving enforcement. In addition to enforcement, the CHP provides education programs such as the Every 15 Minutes Program, Occupant Restraint Program, Impact Teen Drivers Program, Senior Volunteer Program, and the Start Smart Program. Not widely seen or known, however, are the selfless efforts of both the uniformed and non-uniformed CHP employees in serving their communities, providing care and acting with compassion for victims of crime and tragedy, and supporting a variety of activities to improve the lives of the people they serve.

ONGOING MONITORING

As the head of Department of the California Highway Patrol, Warren Stanley, Commissioner, is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

EXECUTIVE MONITORING SPONSOR(S)
The executive monitoring sponsor responsibilities include facilitating and verifying that the Department of the California Highway Patrol internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to: Warren Stanley, Commissioner, and Scott Silsbee, Deputy Commissioner.

MONITORING ACTIVITIES
The CHP conducts Top Management meetings, which includes Executive Management and all departmental Chiefs from each Division to discuss major activities, as well as existing and potential internal control issues. The Executive Management includes the Commissioner, Deputy Commissioner, and two Assistant Commissioners. The Executive Management sets the tone of the CHP displaying and ensuring the CHP’s Mission and Vision are carried through with the utmost integrity.

In addition, the CHP Office of Inspector General (OIG) conducts internal audits in accordance with the International Standards for the Professional Practice of Internal Auditing in addition to command inspections. Audit and inspection topics are generated from the results of a risk assessment.
questionnaire performed every two years. The OIG conducts follow-up audits/inspections to verify corrective actions are fully implemented. All audit/inspection results and corrective action reports are routed through Executive Management for review and proper monitoring. Upon review of the reports, Executive Management may take action, give direction, and/or change the direction of the audit and inspection plan. The monitoring activities of Executive Management are continuous as four or more administrative or field Divisions are inspected/audited per year. This includes subordinate commands within the respective Divisions. In addition to the audit and inspection activities, Executive Management ensures a property inspector completes property inspections of each command every three years to maintain compliance with State Administrative Manual Section 8652, and requires commands to conduct a self-inspection every calendar year.

**Addressing Vulnerabilities**

The CHP Top Management meeting is used to discuss current and future risks identified within the CHP. Any risk with vulnerabilities is addressed and revisited at future meeting as needed. Depending upon the impact of the risks to the CHP, a task force could be established to evaluate departmental activity and recommend a corrective action plan to mitigate all material risk to Top Management. The task force has responsibility to update Executive Management on performance and implementation of internal control measures to mitigate the identified risks.

In addition, any risk identified in an audit, performance review, or inspection report conducted by the OIG is uniformly addressed through the following process:

- Upon the issuance of an audit, performance review, or inspection report, the inspected entity has 60 days to respond to the OIG, through the appropriate chain-of-command, and report methods of control and/or an internal system to achieve compliance.
- A follow-up audit or performance review is conducted within 12 months after issuance of the final report. Subsequently to the follow-up review, the OIG issues a follow-up report.
- If the audit or performance review follow-up report indicates that any partial or noncompliance issues remain, the inspected entity’s next level of chain-of-command is required to follow-up and provide a memorandum to the OIG when all identified issues have been addressed.
- Finally, the OIG submits a final report to Executive Management after all identified issues have been resolved, which closes the audit/inspection. On the rare occasion an issue remains unresolved, Executive Management takes action to resolve it.

**Communication**

After each Top Management meeting, the CHP conducts Division All Commander Conference (DACC). The DACC is attended by all divisional Chiefs, Assistant Chiefs, and commanders, and is a forum to discuss action necessary to mitigate risks and communicate ongoing strategic plan. The information from the DACC will be relayed by each commander to their command staff. Each Division Commander has authority to conduct the DACC on the monthly or quarterly basis. The CHP also has internal communication medium called Comm-Net, which is used to communicate all monitoring activities, update on policies and procedures, as well as emergency and field operations to all departmental staff that is approved by Executive Management.

Furthermore, the OIG as independent command within the CHP has following process to communicate ongoing internal control monitoring results:

- All audit, performance review, follow-up audit/inspection, and property inspection reports are
documented on an internal memorandum. The memorandum is prepared by the OIG, which contains monitoring results to Executive Management, with a copy supplied to every commander along the chain-of-command.

- All self-inspections are documented on specific checklists, which are submitted to the OIG through the appropriate chain-of-command. The OIG summarizes the results of these self-inspections and prepares a memorandum for distribution to Executive Management.
- The OIG also conducts program and policy evaluations and submits results to Executive Management, as an ongoing monitoring effort to increase departmental efficiency and operational effectiveness.

Ongoing Monitoring Compliance

The Department of the California Highway Patrol has implemented and documented the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code sections 13400-13407. These processes include reviews, evaluations, and improvements to the Department of the California Highway Patrol systems of controls and monitoring.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Department of the California Highway Patrol risk assessment process: Executive Management, Middle Management, Front Line Management, and Staff.

Risk Identification

In 2017, a risk assessment questionnaire was disseminated to all departmental chiefs, assistant chiefs, and commanders. The questionnaire consisted of five questions, which asked the respondent to comment on areas of concern to their command. The completed questionnaires were organized, analyzed, summarized into topical areas, and compared with current audit and inspection plan results, current law enforcement liability trends identified across the nation (e.g., mental illness awareness, use of force, etc.).

Risk Ranking

Each topical area in the risk assessment questionnaire was evaluated based on prior occurrence in the CHP, its severity on the CHP operations and stakeholders interests, and likelihood to occur in the future. The results from the risk assessment questionnaire were then compiled and prioritized based on the number of times each topical areas of risks selected by the respondents. A summary of the result was then reviewed and evaluated by Executive Management for suitable risk prioritization and final approval. In addition, the Executive Management had opportunity to add and/or rank any risks not identified by the questionnaire.

In order to mitigate the risks identified by the questionnaire, the information received from this risk assessment process is utilized to establish a two-year audit plan in accordance with the International Standards for the Professional Practice of Internal Auditing, Section 2010. The completed questionnaires were organized, analyzed, and summarized into topical areas, and incorporated into the CHP’s 2018-2019 Audits and Inspections Plan, which will also serve as ongoing control medium to evaluate and mitigate the identified risks. The CHP’s 2018-2019 Audits and Inspections Plan is approved by the Commissioner.
RISKS AND CONTROLS

RISK: Operations - Internal - FI$Cal Implementation, Maintenance, or Functionality
The risk was identified due to departmental limitation of staff availability, consistent information accuracy, information availability, as well as security and compatibility. The CHP is currently planning to implement Financial Information System for California (FI$Cal) by July 2018. If not adequately managed, there is a significant risk that the CHP would not meet the July 2018 timeline, which could have a negative impact on the statewide implementation of FI$Cal.

A statewide implementation of FI$Cal, administered by the Department of Finance, is utilized for new budgeting, accounting, procurement, and cash management database.

The CHP will utilize a uniform single management system across the state to combine accounting, budgeting, cash management, and procurement operations.

Control A
The CHP Administrative Services Division has created a transition team to prepare the staff for full implementation of the FI$Cal conversion. This Division is responsible for providing the structured transition program provided by FI$Cal to departmental staff, which include data conversion, training, role mapping, and process documentation.

RISK: Operations - Internal - Staff—Training, Knowledge, Competence
The risk was identified as a result of a departmental recognition of legislation to continuously improve leadership skills, knowledge, and abilities of supervisors, managers, commanders, and executive management, as well as to ensure a smooth transition of departmental succession planning.

The CHP recognizes Government Code 19995.4 requires state departments to devise training programs to continuously improve the skills of employees in supervisorial positions and to assist with delivery of quality services. Implementing alternatives to complying with this mandate require development and analysis.

The CHP is required to incorporate supervisory, management, commanders, and executive management level training statewide biannually. This training component will include 20 hours of leadership training and development every two years, as prescribed by the California Department of Human Resources. Alternative methodologies for training delivery will need to be identified and tested to ensure departmental compliance can be achieved and sustained, which will achieve the goal to improve leadership traits of CHP supervisors, managers, commanders, and executive management.

Control A
The Organizational Development Section has initiated development of courses for supervisors, managers, commanders, and executive management in compliance with Government Code 19995.4. Training delivery options will be reviewed and tested to ensure they are applicable, cost-effective, and timely. Further, the CHP expects to procure and deliver a long-term statewide learning management system to assist in course delivery and compliance.

RISK: Operations - Internal - Staff—Training, Knowledge, Competence
The risk was identified due to the potential use of force injuries to CHP employees and the public, potential for departmental monetary impact stemming from litigation, and the need for immediate mobilization and crowd-control to protect against the loss of life and property, as well as protecting civilians’ first amendment right to peacefully assemble.
As a result of increased law enforcement response to civil disturbance situations and the changing climate of society, the CHP identified the need for pertinent civil disturbance training. It was determined the CHP should revise and update the existing training.

The risk evaluation is in accordance with the CHP Strategic Planning Goal #1, Protect Life and Property; Strategic Planning Goal #2, Provide Superior Service to the Public and Assistance to Allied Agencies; and Strategic Planning Goal #5, Identify and Respond to Evolving Law Enforcement Needs.

Control A
Currently, all uniformed CHP employees are required to annually display knowledge of all tactical formations described in Highway Patrol Manual (HPM) 50.5, Tactical Formations and Mobile Tactics. This HPM was revised in March 2016, and is currently mandating annual training for uniformed employees. Additionally, HPM 50.6, Special Response Team, has been added to CHP policy in March 2016. It provides policy and protocol for special response teams specifically dedicated to respond to civil disturbance situations as necessary. Each CHP field Division is assigned a special response team.

CONCLUSION
The Department of the California Highway Patrol strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising controls to prevent those risks from happening. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Warren Stanley, Commissioner

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