

**Financial Integrity
And
State Manager's Accountability Act
(FISMA)**

Revised 4/7/2010¹

**Department of Developmental Services
(DDS)**

Facilitated By:

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December 2009

¹ This document was revised pursuant to instructions received March 30, 2010 from the Department of Finance, Office of State Audits and Evaluations (DOF-OSAE). DOF-OSAE instructed DDS to: (1) Amend cover sheet to indicate the report was "Facilitated By" staff members; (2) Include a signed certification statement by the Executive Director to include their conclusion of the adequacy of the Department's systems of controls; and (3) Post the report on the Reporting Transparency website.

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Introduction

Agency Name: Health and Human Services Agency
Department Name: Department of Developmental Services
Organization Code: 4300

During Fiscal Year 2006-07, the Department of Finance updated the Financial Integrity and State Managers Accountability (FISMA) Act of 1983 for reporting requirements. The new guidance placed a greater responsibility on State agencies to evaluate and report on internal controls. State agencies are now responsible for performing a risk assessment and review of their processes and activities covering mission goals and objectives, efficient use of agency resources, and compliance with applicable laws and regulations, as well as providing accurate and reliable financial information.

In accordance with the FISMA Act of 1983, the Department of Developmental Services (DDS) submits this report on the review of our systems of internal control for the biennial period ending December 31, 2009.

Should you have any questions please contact Michael Masui, Chief of Vendor Audit Section, at (916) 654-2769 or at mmasui@dds.ca.gov.

Background

The mission of the Department of Developmental Services (DDS) is to provide leadership that results in quality services to the people of California and assure the opportunity for individuals with developmental disabilities to exercise their right to make choices.

DDS is responsible under the Lanterman Developmental Services Act to ensure that persons with developmental disabilities receive services and supports to lead more independent, productive, and normal lives and to make choices and decisions about their lives regardless of their age or the degree of their disability. Services are delivered directly through Developmental Centers and State-operated community facilities, and under contract, through a statewide network of 21 private, nonprofit, locally based community agencies known as regional centers. DDS' goals and objectives are to:

- Expand the system capacity to allow for the availability and accessibility of services and support to meet current and future needs of individuals and their families.
- Identify, evaluate, and promote innovative service delivery models that have been demonstrated to be effective in achieving preferred consumer outcomes with systems to ensure quality services and supports.
- Distribute information and deploy assistive and information technology to improve state-wide automated systems and tools to support the delivery of services and support of people with developmental disabilities.
- Ensure the accountability of DDS, Developmental Centers, regional centers, and service providers in being in compliance with all applicable federal and state laws, regulations and contracts.

Control Environment²

To accomplish the above goals and objectives, DDS' management established an environment that sets a positive and supportive attitude toward internal control and diligent management.

² Control environment was evaluated using GAO-01-1008G – Internal Control Management and Evaluation Tool

- **DDS demonstrates integrity and ethical values**
 DDS has formal policies established detailing appropriate ethical behavioral standards for its employees, which include: Conflict of Interest, Drug-Free Workplace, Workplace Violence, and Equal Employment Opportunity. It is a requirement that DDS employees attend mandatory training courses related to the ethic behavioral standards and regulations that govern the official conduct of DDS employees. Additionally, if any employee violates DDS' policies and/or ethical behavioral standards, they are subject to appropriate corrective and/or disciplinary action.
- **Management is committed to competence**
 DDS' job descriptions contain the required knowledge and skills needed for succeeding in the job classification. This extends to the hiring process requiring that candidates possess the requisite knowledge, skills, and abilities to perform the job duties. In addition, DDS promotes the continuous training and education of its employees. To accomplish this, the Department's training officer coordinates with management and DDS employees to identify appropriate training programs and classes to meet the employees' job requirements.
- **Management philosophy and operating style**
 It is management's philosophy to support effective internal controls, including: Accounting, Information Systems, Program Support, and Personnel. DDS is proactive in identifying and addressing any deficiencies in its overall operations, which includes the oversight of consumer supports and services to its developmental disabled constituents.
- **Organizational structure**
 DDS has a decentralized organizational structure. This decentralized structure was enacted by the Legislature because the services were of such a special and unique nature that a State agency could not satisfactorily provide the services to individuals and their families. Therefore, 21 nonprofit organizations, known as regional centers, were established to provide fixed points of contact within the community for persons with developmental disabilities and their families. These 21 regional centers have a governing board composed of members that must meet stringent requirements set forth in Welfare and Institutions Code, Section 4522. These requirements ensure that the board is locally accountable and represents its particular community.
- **Assignment of authority and responsibility**
 Delegation of authority in DDS is primarily based in the established duty statements of staff. Where specific delegation is required by statute or regulation, the Director has written delegation as needed to meet business needs.

- **Human resources policies and practices**

DDS has proper policies and procedures for the hiring, training, evaluating, counseling, promoting, and disciplining of its employees.

- **Oversight groups**

Within DDS there are mechanisms in place to monitor and review operations and programs. DDS has significant oversight functions related to regional center operations and services. DDS has direct oversight to ensure accountability through: Financial audits, review of independent audits, onsite program monitoring and reporting, financial status reviews, and review of policies.

The DDS Audit Branch provides information analyses, recommendations, and counsel to management on an on-going basis in areas of Departmental concern. The Audit Branch conducts internal audit functions on an as needed basis and reports to the Department Director.

Although regional centers are nonprofit organizations they are subject to audit and review by a host of other state and federal agencies such as Department of Health Care Services, Bureau of State Audits, Department of Finance, Centers for Medicare and Medicaid Services, federal Office of Special Education Programs, and federal Department of Justice which all provide an additional level of oversight of regional centers.

The Development Centers must meet all licensing requirements by the Department of Public Health as they are licensed as Acute Care, Skill Nursing, and Interim Care Facilities.

Vacant Positions

Legislation requires the State Controller's Office (SCO) to identify and abolish vacant positions that are vacant six consecutive monthly pay periods within one fiscal year or between two consecutive fiscal years. The SCO shall also reestablish any position for which the Director of the Department certifies by August 15th that one or more of the conditions stated in the Government Code (GC) 12439, Section 12, Subdivision (c1-6) existed during part or all of the six consecutive pay periods. To be in compliance with the GC 12439, DDS completed and submitted to the SCO the Change in Established Positions forms that met the criteria (STD 607) as a self-certification for reestablishment of 23 vacant positions in DDS Headquarters and 667.50 positions for the Developmental Centers (DC).

One STD 607 was sent to the Department of Finance (DOF), as required for submissions made after the August 15, 2009 SCO deadline. The request to DOF was for the reestablishment of 19 DDS Headquarters positions that met the criteria for reestablishment pursuant to GC 12439(b). DOF approved and SCO was notified of the reestablishment of 14 of the 19 positions.

As a result, DDS is in full compliance with GC12439.

Risk Assessment

The organization-wide risk assessment was performed through meetings with DDS executive management. The risk assessment meetings were conducted to identify the areas of greatest risk that may cause financial, political, legal and/or negative media exposure to DDS. During the risk assessment meetings, each Division's potential risks were identified and discussed. These identified risks were then ranked on a scale of 1 to 10 on the likelihood of occurrence and potential impact to DDS. The outcome of the risk assessment meetings resulted in five areas of significant risks being identified.

Evaluation of Risks and Controls

The following is a discussion of areas within DDS perceived to have material risks that could result in negative exposure to DDS. Material risks are defined as those process outcomes having a high likelihood of occurrence and a significant fiscal, political, legal and/or negative media exposure to DDS. This report does not focus on minor risks perceived to have little significance or likelihood of occurrence. In addition, this report will discuss any controls in place or to be implemented by DDS to mitigate and/or prevent the identified risks. It is DDS' intention to address the mitigation of the perceived risks over the next few years.

The following are the most significant risks identified during the risk assessment process:

Office of Human Rights and Advocacy

Risk #1: Lack of Emergency Preparedness Plan for Constituents

DDS lacks an emergency preparedness plan that provides a comprehensive guide for the executive management team to follow, should a major emergency occur within the State that jeopardizes the health and safety of its constituents. In particular, DDS needs to ensure that the local county emergency response system adequately meets the needs of consumers. Specifically, the 21 regional centers and the five state operated facilities should be working with the local response systems to increase awareness for the special needs population.

As a result of major wild fires and earthquakes within our State, it has become increasingly apparent that a comprehensive plan must be developed to deal with the evacuation and safety of our consumers during such a catastrophic event. Recently, during the wild fires in southern California, a number of consumers living in the community were required to evacuate their homes. Regional center caseworkers were not able to contact the consumers, and it was feared they may not have understood the evacuation procedures. A loss of life or injury to this vulnerable population is unacceptable.

Mitigation of Risk:

DDS follows State requirement for Continuity of Operations (COOP) and Continuity of Government (COG), which ensures the staffing of DDS has the continuity of essential functions in the event of a catastrophe for the headquarters and state operated residential facilities. DDS also has an emergency team composed of key department staff required to react to emergency situations. Additionally, DDS is currently working on an operational

plan that contains procedures to enhance response and communication during an emergency to ensure the needs of our consumers are met. As of December 2009, the Office of Human Rights and Advocacy has signed a contract for the development of a DDS operational plan. The operational plan will include templates to be available to regional centers to assist them in preparing and responding in emergencies thereby ensuring the Health and Safety of their consumers.

Financial Services Branch

Risk #2: Weakness in Budget Operations

A charge of the Financial Services Branch is managing the daily operations related to the Department's budget authority. The branch has the responsibility of developing estimated expenditures and monitoring funds appropriated to serve persons with developmental disabilities in California. This includes budget preparation, development, implementation, tracking and control of all Department budget issues encompassing Headquarters, Developmental Centers (DCs), State-operated community facilities, and regional centers.

While all state departments have budget development, few departments have the charge to prepare the detail estimates for their support population. The Estimates Section prepares detail estimates of the regional center population and expenditures for DDS and DCs. This includes estimating the regional and developmental centers budgets semi-annually and estimating the impact of budget change proposals having fiscal impact upon the centers.

The Budget Section prepares the Governor's Budget and all supporting documentation for Headquarters, DCs and regional centers, monitors expenditures against the Department's budget authority, and communicates internally as well as control agencies and other external interests to ensure compliance with applicable laws and regulations.

Budgets and Estimates staff must develop estimated expenditures, monitor expenditures by fund source, provide timely fiscal information to management on emerging issues, develop and maintain processes that ensure the Department has the institutional knowledge needed to carry out its mission. The Budgets and Estimates sections have experienced high turnover in the last calendar year. Vacancies have created delays in routine processes due to a lack of understanding of existing processes and internal communication pathways. The risk of not mitigating the weakness in budget operations may result in the loss of knowledge, established processes in budget building, and potential political and public repercussions. (Refer to Risk #5 - Key Person Dependency)

Mitigation of Risk:

To maintain a robust Budget building and monitoring process, DDS will cross-train existing staff, update and review documentation on existing automated and manual processes, assess current staff classifications, and promote the development of analytical capacity to better understand Developmental and regional center operations, Headquarters' interactions, and the impact on the budget. To strengthen Budget monitoring operations, DDS will ensure timely review of available fiscal data, improve knowledge of Developmental and regional center operations, and develop tools to brief management on a routine basis about the status of expenditures in Headquarters, DCs, and regional centers. In addition, DDS will promote flexibility in the work environment to ensure staffs have the tools and access to the necessary information when it is requested to meet outside demands.

Audit Branch

Risk #3: Audit Reporting

DDS' Audit Branch has audit reports that have not been issued in a timely manner. This delay in the timely issuance of the audit reports may result in the following risks: (1) not meeting federally mandated timelines, (2) inability to prosecute and enforce findings, (3) continuation of overbillings, and (4) the inability to recover funds improperly billed. Additionally, audit reports are weakened by the lack of quantifiable service expectations of service providers.

One of the responsibilities of the Audit Branch is to conduct federally mandated biannual audits of the 21 regional centers. The risk of not meeting this mandate may result in the potential loss of federal matching funds. Another responsibility of the Audit Branch is to perform audits of service providers. The delay in the issuance of the audit reports may result in the inability of DDS to pursue prosecution for any misuse of State funds. Additional responsibilities of the Audit Branch are not only to identify issues, but to identify overpayments for recovery made to regional centers and service providers. This delay in issuance would result in the continuation of improper billings and the possibility of not being able to recover funds.

Some regional center contracts with service providers need strengthening to ensure service providers have accountability for the service provided.

Mitigation of Risk:

To ensure the audit reports are issued in a timely manner, the Audit Branch is continuously recruiting, hiring and assessing staff classifications. The Audit Branch will place a higher priority on audits based upon the sensitivity and urgency of the issues identified. In addition, Audit managers and supervisors will

be directed to more closely monitor the status of audits in progress to ensure timelines are met.

To provide for stronger accountability of services by providers, DDS will work with the regional centers to improve service provider contract language to provide measurable services for the consumer. In addition, the Audit branch will continue to issue letters to regional centers to notify them of the need to amend contracts found to lack specific performance measures as part of the vendor audit process. The Audit Branch will also continue to identify and report any lack of specific performance measures that may be found in DDS audits of regional centers.

Community Services and Supports Division (CSSD)

Risk #4: Trailer Bill Language Implementation Monitoring

Trailer Bill ABX49 was enacted on July 2009 by Legislation that directly affects DDS and its regional centers by reducing its program budget. Under the Trailer Bill, DDS was required to make specific budget cuts related to specific program services. Given the complexity of the service delivery system and limitation of existing system data bases, implementation of the budget reductions will require a multi-faceted approach to monitoring for implementation. There are a number of separate reduction proposals crossing all service categories and major programs for the regional and developmental centers. Lack of monitoring could have significant budgetary and political ramifications for department programs and our consumers.

Mitigation of Risk:

DDS is currently developing monitoring strategies that will be used to provide assurances that the budgeted savings will be realized. Once finalized, all components of the monitoring system will be fully implemented.

Overall Department

Risk #5: Key Person Dependency

Key person dependency exists throughout DDS, resulting in the reliance on a small number of individuals who possess specialized knowledge and experience crucial to DDS's daily operations. The loss of any of these key individuals may result in the inability to respond to legislature requests, provide accurate information to constituents, and/or meet statutory deadlines. Examples of key person dependency within DDS are:

1. The Budget and Estimates sections have numerous positions that have specialized knowledge related to key program functions in DDS as well as statistical and technical budget development knowledge. This knowledge takes time to develop and the loss of such knowledge will result in delays and possible errors in the budget development and monitoring of financial decisions on the part of management and DOF.

2. The Information Service Division (ISD) has three staff persons who have specialized knowledge of significant areas of DDS' information systems. The positions provide technical support of the cost recovery system in obtaining revenue and reimbursement for the Department: User support for the regional centers' mission-critical financial application, and timely and accurate analysis and reporting of data. Various Branches/Sections within each Division at DDS rely upon these individuals to provide the needed data/reports to assist in their assignments. Due to the key dependency of these three staff, the loss of these individuals would result in a significant impact to the daily operations of DDS. The impact could result in the delay of technical fixes and necessary changes for both the fiscal application supporting the regional centers and the billing system supporting the developmental centers. In addition, there would be a delay in responding to management requests for critical data.

3. The Office of Human Rights and Advocacy has one investigator who has the specialized knowledge and training to investigate Early Start cases. The loss of this individual may result in DDS being out of compliance with legally established timelines.

Mitigation of Risk:

DDS will focus on recruitment and hiring in areas where key person dependencies exist. In the interim, DDS will continue to rely upon retired annuitants to ensure it meets its statutory obligations. In addition, DDS will continue to update and review processes in place and promote the cross-training of its employees to ensure adequate coverage of key areas. Lastly, DDS will review internal staffing to decrease reliance on limited key staff for ongoing daily operations.

Conclusion

DDS executive management is responsible under the FISMA Act for conducting an internal review and preparing a report on the adequacy of its organization system of internal controls on a biennial basis. The purpose of the FISMA review is to strengthen internal control of the organization, to help restore confidence in government, and to improve its operations.

In performing the FISMA review, DDS executive management has identified several significant areas of risks. This provides DDS executive management with the necessary information to avoid or reduce the risks to acceptable levels. Based on the review, DDS executive management concludes its systems of internal control provide adequate assurances to prevent fraud, waste and abuse but could be improved through mitigation of the self-identified risk areas.

Certification Statement:

In accordance with the Fiscal Integrity and State Manager's Accountability Act of 1983, Government Code Sections 13400 through 13407, I certify that DDS has established adequate internal controls addressing the risks we have identified. DDS's management team is committed to the highest standard of compliance with our statutory obligations.

Original Signed by Terri Delgadillo

Name

Director

Title

May 13, 2010

Date

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No.	CONTROL WEAKNESSES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	PERSON RESPONSIBLE FOR ACTION (POSITION TITLE)	DATE OF ACTION /PLANNED ACTION
1	<p>Lack of Emergency Preparedness Plan for Constituents - Office of Human Rights and Advocacy</p>	<ul style="list-style-type: none"> • DDS staff following State requirement for Continuity of Operations (COOP) and Continuity of Government (COG). • DDS Headquarters has an "Emergency Team" required to react to emergency situations at Developmental Centers and Headquarters. • Developed "Feeling Safe Being Safe", a program that provides preparedness training and materials to those receiving services through DDS. • As an initial step, DDS signed a contract for the development of templates that will assist regional centers in preparing and responding to emergencies that may affect the health and safety of their consumers. 	<ul style="list-style-type: none"> • The first step will be to ensure the completion of the emergency preparedness template. • Ensure the transmittal of the templates to the regional centers and ensure the templates are understood by the regional centers. • Schedule follow-up meetings with Regional Centers to obtain feedback on templates. 	<ul style="list-style-type: none"> • Carol Risley, Chief, Office of Human Rights and Advocacy Services • Antoinette Johnson, Coordinator of Emergency Preparedness, Office of Human Rights and Advocacy 	<p>Partially Complete</p> <ul style="list-style-type: none"> • Template should be developed by May15, 2010. • Disseminated to all 21 regional centers by December 31, 2010. • Follow-up meetings – dates to be determined.

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No.	CONTROL WEAKNESSES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	PERSON RESPONSIBLE FOR ACTION (POSITION TITLE)	DATE OF ACTION /PLANNED ACTION
2	<p>Weakness in Budget Operations - Financial Services Branch</p>	<ul style="list-style-type: none"> • Cross-training of existing staff. • Updating documentation on existing automated and manual processes. • Assess current staff classifications, and promote the development of analytical capacity so staff is better prepared and able to understand headquarters, developmental center and regional center operations. 	<ul style="list-style-type: none"> • Improve knowledge of developmental center and regional center operations through increased interaction with DDS staff, Association of Regional Center Agencies (ARCA), and a hands-on look at nearby operations. • Improve tools to brief management on a routine basis about the status of expenditures in headquarters, developmental centers, and regional centers. • Promote flexibility in the work environment through use of Citrix and laptops in order to meet external and statutory deadlines. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Caroline Castaneda, Manager, Financial Services Branch • Karol Rehm Buccola, Chief, Budget Section 	<p>Partially Complete</p> <ul style="list-style-type: none"> • On a continuous basis until completed.

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3	<p>Audit Reporting - Audits</p>	<ul style="list-style-type: none"> • Have evaluated current staffing needs and revised organizational structure to facilitate timely report issuance. • Continue to issue letters to regional centers to notify them of the need to amend contracts found to lack specific performance measures. • Direct audit managers and supervisors to more closely monitor the status of audits in progress to ensure timelines are met. 	<ul style="list-style-type: none"> • Continuously recruiting, hiring and assessing staff classifications. • Place higher priority on audits based upon the sensitivity and urgency of the issues identified. • Continue to improve tools used to monitor the status of audits in progress. • Work with the regional centers to improve service provider contract language to provide measurable services for the consumer. • Identify and report any lack of specific performance measures that may be found in DDS audits of regional centers. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Ed Yan, Chief, Regional Center Audit Section, Acting Manager, Audit Branch • Mike Masui, Chief, Vendor Audit Section 	<p>Partially Complete</p> <ul style="list-style-type: none"> • On a continuous basis until completed.

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4	Trailer Bill Language Implementation Monitoring - CSSD	<ul style="list-style-type: none"> Developed monitoring strategies that will be used to provide assurances that the budgeted savings will be realized. 	<ul style="list-style-type: none"> Implement all components of the monitoring system. 	<ul style="list-style-type: none"> Rita Walker, Deputy Director, Community Operations Division Julia Mullen, Deputy Director, Community Services and Supports Division Karyn Meyreles, Deputy Director, Administrative Division Kathy Kinser, Special Assistant to the Director Patricia Flannery, Deputy Director, Developmental Centers Division 	<p>Partially Complete</p> <ul style="list-style-type: none"> On a continuous basis until fiscal year end.

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5	<p>Key Person Dependency - Overall Department</p>	<ul style="list-style-type: none"> • Focusing on recruitment and hiring in areas where key person dependencies exist. • Developed Succession Planning Materials in 2007-08. Conducted a pilot program using the materials in 2008 to develop employee management skills. 	<ul style="list-style-type: none"> • Continue to rely upon retired annuitants. • Continue to update and review processes in place and promote the cross-training of its employees to ensure adequate coverage of key areas. • Review internal staffing to decrease reliance on limited key staff for ongoing daily operations. • Research the viability of expanding the succession planning pilot program. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Beverly Humphrey, Deputy Director, Information Services Division • Carol Risley, Chief, Office of Human Rights and Advocacy Services • Caroline Castaneda, Manager, Financial Services Branch • Becky Pipoly, Manager, Enterprise Services Section • Kathleen Ozeroff, Deputy Chief of Office of Human Rights and Advocacy Services 	<p>Partially Complete</p> <ul style="list-style-type: none"> • On a continuous basis until key person dependency is resolved.

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1	<p>Lack of Emergency Preparedness Plan for Constituents - Office of Human Rights and Advocacy</p>	<ul style="list-style-type: none"> • DDS staff following State requirement for Continuity of Operations (COOP) and Continuity of Government (COG). • DDS Headquarters has an “Emergency Team” required to react to emergency situations at Developmental Centers and Headquarters. • Developed “Feeling Safe Being Safe”, a program that provides preparedness training and materials to those receiving services through DDS. • As an initial step, DDS signed a contract for the development of templates that will assist regional centers in preparing and responding to emergencies that may affect the health and safety of their consumers. <p>May 2010</p> <ul style="list-style-type: none"> • Template of the emergency preparedness plan had been developed. 	<ul style="list-style-type: none"> • Ensure the transmittal of the templates to the regional centers and ensure the templates are understood by the regional centers. • Schedule follow-up meetings with Regional Centers to obtain feedback on templates. 	<ul style="list-style-type: none"> • Carol Risley, Chief, Office of Human Rights and Advocacy Services • Antoinette Johnson, Coordinator of Emergency Preparedness, Office of Human Rights and Advocacy 	<p>Partially Complete</p> <ul style="list-style-type: none"> • Disseminate to all 21 regional centers by December 31, 2010. • Follow-up meetings – dates to be determined.

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2	<p>Weakness in Budget Operations - Financial Services Branch</p>	<ul style="list-style-type: none"> • Cross-training of existing staff. • Updating documentation on existing automated and manual processes. • Assessing current staff classifications and promoting the development of analytical capacity so staff is better prepared and able to understand headquarters, developmental center and regional center operations. <p>June 2010</p> <ul style="list-style-type: none"> • Improved knowledge of RCs by attending ARCA administrator’s meetings and Federal Revenues meetings. • Promoted team work and improved overall understanding of budget processes. • Provided cross-trainings to: <ul style="list-style-type: none"> • Associate Budget Analyst • Staff Services Analyst • Research Program Analyst • Staff Services Manager I in all fields such as greensheets, all budget schedules, bluebook, HQ projections, DC allocations, budget drill and every day work challenges. • Improved tools to brief management about the status of expenditures in headquarters and RCs (Example: weekly budget staff meetings; standardized monthly meeting with the director). • Promoted flexibility in the work environment through use of Citrix and laptops in order to meet external and statutory deadlines. Budget and Estimate staff, to include the branch manager, has laptops and Citrix to work at home during weekends, nights and critical times. 	<ul style="list-style-type: none"> • Improve knowledge of developmental center operations through increased interaction with DDS staff and a hands-on look at nearby operations. • Improve tools to brief management on a routine basis about the status of expenditures in developmental centers. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Caroline Castaneda, Manager, Financial Services Branch • Karol Rehm Buccola, Chief, Budget Section 	<p>Partially Complete</p> <ul style="list-style-type: none"> • On a continuous basis until completed.

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3	<p>Audit Reporting - Audits</p>	<ul style="list-style-type: none"> • Have evaluated current staffing needs and revised organizational structure to facilitate timely report issuance. • Continue to issue letters to regional centers to notify them of the need to amend contracts found to lack specific performance measures. • Direct audit managers and supervisors to more closely monitor the status of audits in progress to ensure timelines are met. <p>February 2010</p> <ul style="list-style-type: none"> • Placed higher priority on audits based upon sensitivity and urgency of the issues identified. • Improved tools on monitoring the status of audits in progress, including monthly briefings to deputies. <p>April 2010</p> <ul style="list-style-type: none"> • Hired qualified staff to conduct more audits. <p>June 2010</p> <ul style="list-style-type: none"> • Work with regional centers to improve service provider's contracts language to provide measurable services for the consumers. • Identify and report any lack of specific performance measures that was found in DDS vendor audits. 	<ul style="list-style-type: none"> • Improve lines of communication between Community Operations Division or other DDS sections and the Audit Branch to ensure referred issues are investigated and results are communicated back to the referring party. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Ed Yan, Chief, Regional Center Audit Section, Acting Manager, Audit Branch • Mike Masui, Chief, Vendor Audit Section 	<p>Partially Complete</p> <p>Additional corrective action to be completed by Dec. 31, 2010</p>

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4	<p>Trailer Bill Language Implementation Monitoring - CSSD</p>	<ul style="list-style-type: none"> Developed monitoring strategies that will be used to provide assurances that the budgeted savings will be realized. <p>June 2010</p> <ul style="list-style-type: none"> Implemented initial components of the monitoring system 	<ul style="list-style-type: none"> Review of monitoring process to ensure the viability of the assumption used in the initial phase. Continued review of monitoring system. 	<ul style="list-style-type: none"> Rita Walker, Deputy Director, Community Operations Division Julia Mullen, Deputy Director, Community Services and Supports Division Karyn Meyreles, Deputy Director, Administrative Division Kathy Kinser, Special Assistant to the Director Patricia Flannery, Deputy Director, Developmental Centers Division 	<p>Partially Complete</p> <p>On a continuous basis until completed.</p>

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2009 FISMA Report**

No.	CONTROL WEAKNESSES IDENTIFIED	CORRECTIVE ACTIONS TAKEN	CORRECTIVE ACTIONS TO BE TAKEN	PERSON RESPONSIBLE FOR ACTION (POSITION TITLE)	DATE OF ACTION /PLANNED ACTION
5	<p>Key Person Dependency - Overall Department</p>	<ul style="list-style-type: none"> • Focusing on recruitment and hiring in areas where key person dependencies exist. • Developed Succession Planning Materials in 2007-08. Conducted a pilot program using the materials in 2008 to develop employee management skills. <p>June 2010</p> <ul style="list-style-type: none"> • Filled positions in hard to fill areas in Estimate Section • To retain staff, Financial Section created a promotional path for employees to be upgraded to higher positions. • Continue to update and review processes in place and promote the cross-training of its employees to ensure adequate coverage of key areas. • ISD has begun to pilot documenting functions in one of its units, as well as in the IT section of one of the DCs. • Developed a matrix to identify all IT duties and responsibilities, in addition to identifying the primary and the backup person responsible in order to assist in reliance on limited key staff. • Prioritized the functions that will require training of the backup person. 	<ul style="list-style-type: none"> • Continue to rely upon retired annuitants. • Research the viability of expanding the succession planning pilot program. • Reviewed internal staffing to decrease reliance on limited key staff for ongoing daily operations. 	<ul style="list-style-type: none"> • Karyn Meyreles, Deputy Director, Administrative Division • Beverly Humphrey, Deputy Director, Information Services Division • Carol Risley, Chief, Office of Human Rights and Advocacy Services • Caroline Castaneda, Manager, Financial Services Branch • Becky Pipoly, Manager, Enterprise Services Section • Kathleen Ozeroff, Deputy Chief of Office of Human Rights and Advocacy Services 	<p>Partially Complete</p> <ul style="list-style-type: none"> • On a continuous basis until key person dependency is resolved.