

Secretary of State 2019 Leadership Accountability Report

December 31, 2019

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Keely Martin Bosler, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Ms. Keely Martin Bosler,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Secretary of State submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2019.

Should you have any questions please contact Lizette Mata, Deputy Secretary of State, Operations, at (916) 695-1649, Lizette.Mata@sos.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Secretary of State, a constitutionally established office, is the chief elections officer of the state and is responsible for the administration and enforcement of election laws. The Office also is responsible for administering and enforcing laws pertaining to filing documents associated with corporations, limited liability companies, partnerships, limited partnerships, unincorporated associations and pertaining to filing bonds and perfecting security agreements. In addition, the Office is responsible for commissioning notaries public, enforcing the notary laws, and in conjunction with being the home of the State Archives, administering a state records management program and preserving documents and records having historical significance. The Secretary of State is the filing officer for lobbying and campaign registration and disclosure documents filed under the Political Reform Act. The Secretary of State also operates the Safe at Home program, maintains the Domestic Partners and Advance Health Care Directives registries, provides support functions for the Voting Modernization Board, and is home to the California Museum.

Policy associated with the administration of the Office is accomplished through the divisions of Elections, Political Reform, Business Programs, Archives, Information Technology, and Management Services.

Our Mission: The Secretary of State's office is committed to creating an accessible, transparent, and available government for California.

Our Strategic Plan Goals:

- **Public Service**
 - **State Archives and History:** The State Archives preserve and present the history of California for the public. The Archives collection is primarily composed of records from California state agencies, the governor's office, the state legislature, private papers, the

State Supreme Court, and State Courts of Appeal.

- **Online biz filings:** The Business Programs Division is committed to making it easier to do business in California. With online business filings on California Business Search, registering a business, filing a trademark or servicemark, and accessing public business records only takes a few clicks. These services are available 24/7 and are constantly improving, freeing up California's entrepreneurs to focus on their business endeavors while the SOS handles the paperwork.
- **Cannabizfile:** Cannabizfile is the first stop for those seeking to establish a cannabis related business. Started in December 2017, Cannabizfile is a portal for all information relevant to cannabis-related business and trademark filings with the SOS.
- **Safe at Home:** Safe at Home is a confidential address program that offers victims of domestic violence, stalking, sexual assault, human trafficking and elder and dependent abuse, as well as reproductive health care workers, a substitute mailing address to receive first class, certified and registered mail. This address is also accepted by California state, county and city government agencies in lieu of a residential or other mailing address where a victim can be tracked down, keeping the residence address confidential. This program is provided free of charge to California residents who qualify as participants and is most effective when used as part of an overall safety plan.

- **Civil Rights**

- **CalAccess and political transparency:** The Cal Access Replacement System (CARS), will give Californians an easily navigable tool that provides transparency into the political process and campaign spending.
- **OVSTA:** The Office of Voting Systems Technology Assessment safeguards the security of California's election technology and ensures that every vote is accurately counted. Upholding the most stringent election standards in the country, OVSTA protects California's elections from interference to defend the voice of every voter.
- **VOTESURE:** In order to combat misinformation campaigns, VoteSure provides official nonpartisan election information available online. VoteSure gives Californians registration information; help in locating an official polling site; connects users to election resources, and provides an avenue to report any misinformation they may find.
- **Restore Your Vote:** Regardless of their past, every Californian deserves to be heard as their voice can define their future. To make this goal a reality, the SOS commits itself to the Restore Your Vote Project (RYV). RYV re-enfranchises voters with a criminal conviction in their past through re-educating them on their right to vote, protecting the voting rights of Californians currently serving a sentence, and advocating for criminal justice reforms that will expand voting rights to an often excluded segment of the population. Voting is just one small part of integrating people into their community and making a stronger whole. Regardless of one's past, your future does not have to be silent - the Restore Your Vote Project is a pathway to being heard.
- **California Students Vote Project (CSVP):** The CSVP is a first-of-its-kind partnership where all major California higher education institutions have solidified commitments to collaborate with the Secretary of State to bolster student civic engagement. The CSVP

includes all the 484,347 students in the California State University, the 280,000 students in the University of California, the 2.1 million students in California Community Colleges, and the 330,000 students that are part of the Independent California Colleges and Universities sector.

- **Voter's Choice Act (VCA):** The Voter's Choice Act will be implemented in 14 counties (and counting!) that have now given their voters more choices for when, where and how to cast their ballot - making voting and civic engagement more accessible for all Californians. The VCA will allow voters to cast a ballot at any vote center within their county, expand in person early voting, and mail every voter a ballot that can be dropped off at any vote center or drop off ballot box, or mailed to their county election office free of charge.
- **Women on Boards:** In 2018, Women on Boards (Senate Bill 826) was signed into law to advance equitable gender representation on California corporate boards. When Women on Boards passed in 2018, 25% of California's publicly held corporations had no women directors on their boards. California is now leading the way as the first state in the nation to require all publicly held domestic or foreign corporations whose principal executive offices are located in California to have at least one female director on their boards by December 31, 2019, either by filling an open seat or by adding a seat. One or two more women directors would be required, depending upon the size of the public company's board by December 31, 2021.

- **Innovation**

- **Eureka Chatbot:** The Eureka Chatbot is an artificial intelligence assistant that links California's entrepreneurs to the business resources they may need. Awarded for Best Application Serving the Public by the Center for Digital Government, the Eureka Chatbot is available 24/7 to answer many of the most frequently asked questions that users might have. Eureka Chatbot is always improving with user feedback and consistent advancements from the staff.
- **Cyber Security:** The Office of Elections Cybersecurity and Enterprise Risk Management: The California Legislature appropriated an unprecedented \$3 million to combat misinformation and strengthen cybersecurity by establishing The Offices of Elections Cybersecurity and Enterprise Risk Management within the Secretary of State. Our Communications Department added additional staff, social media monitoring software and a first-ever public education campaign - VoteSure - urging voters to be vigilant about misinformation on social media. The Enterprise Risk Management Office coordinates efforts between the Secretary of State and local elections officials to enhance cyber-attack prevention capabilities and establish improved cyber incident response.
- **Digitization of Archives:** In part due to a landmark partnership with the Google Cultural Institute, the SOS is able to present Californian's history in a manner unprecedented by the State. Digitization is part of the SOS effort to provide easy access of the history of California. These efforts have created interactive digital exhibits, tens of thousands of files, and dozens of oral history recordings all available online. With the digitization of the archives, Californians and people the world over will be able to view the colorful history of the Golden State.

Control Environment

Through ongoing monitoring, documentation and Executive oversight, the Secretary of State consistently reviews, evaluates, and improves our systems of internal control. The Secretary of State utilizes weekly Division Chiefs' meetings as a time for senior and Executive management to discuss and document items of significant impact to the agency, including current and potential internal risks and control issues. In addition, Division Chiefs and Project Managers meet individually with the Deputy Secretary of State, Operations, to discuss in greater detail significant issues affecting each area of operations. The Deputy Secretary of State, Operations meets weekly with the Chief Deputy Secretary of State to elevate concerns and determine an appropriate plan of action to mitigate each concern.

Also vital to maintaining a secure control environment, the SOS Executive Team recruits, develops and maintains a competence workforce and ongoingly evaluates their performance while enforcing accountability. The SOS's Workforce and Succession Planning Program, in addition to being transparent, voluntary and beneficial to the functionality of our programs, was designed to demonstrate our commitment to our employees while emphasizing each employee's role in maintaining the integrity and ethical values of the Secretary of State's office. The program uses new and innovative recruitment methodologies, onboarding activities, training and cross-training programs, mandatory and voluntary employee evaluations, one on one and mentoring opportunities, as well as employee exit surveys to inform and evaluate our recruitment and training programs and to provide insight into how to properly motivate and retain a highly competent workforce.

Information and Communication

As the head of the Secretary of State, Alex Padilla, Secretary of State, is responsible for the overall establishment and maintenance of the internal control and monitoring systems. The executive monitoring sponsor, Lizette Mata, Deputy Secretary of State, Operations, facilitates and verifies that the SOS internal control monitoring practices are implemented and functioning as intended and that our systems of internal control are properly documented and communicated.

Reports detailing the control activities associated with mitigating identified risks and their effectiveness are reported by each Division on a quarterly basis. These reports are then summarized and reported to the Chief Deputy Secretary of State and Counsel. The summarized reports are provided and discussed with the Deputy Secretary of State, Operations as well as Division Chiefs and their management teams. Risks and control activities that are considered high impact to the agency are reported every six months to the Department of Finance. Risks and control activities that are considered a medium or low risk to the agency are followed up on through our ongoing monitoring process.

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 Secretary of State monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Lizette Mata, Deputy Secretary of State, Operations.

The Secretary of State monitors risk through an ongoing risk assessment process that includes the highest levels of Agency leadership, and Program Managers (Division Chiefs), who are closely familiar

with the functions, technology, processes, and risks in their respective areas. Monitoring activities are performed, documented, and measured against a baseline of the prior year's activities.

The Chief Deputy Secretary of State and the Deputy Secretary of State, Operations meet quarterly to discuss identified internal control deficiencies. This information is also provided to the Internal Auditor who, in turn, develops an audit plan for testing controls. The auditor addresses deficiencies found with the appropriate senior level manager, via an audit report, and requires a response, including the requirement that an implementation plan be developed within thirty days. The implementation plan includes measures to address the deficiency and the timeframe for implementation. The audit report, including the management response and implementation plan, are provided to the Chief Deputy Secretary of State. The Internal Auditor performs follow up testing and/or reviews to ensure corrective measures are in place based on time frames provided in the implementation plan and then reports back to the Chief Deputy Secretary of State. The results of ongoing monitoring activities are evaluated and appropriate corrective actions are implemented and documented.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Secretary of State 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, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

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

In addition to ongoing monitoring, the Secretary of State's office prepares for the State Leadership Accountability Act report by holding a commencement meeting, attended by Agency Executive Leadership and Program Leaders, to address the work plan and timeline for completing the report. The work plan includes five phases: 1) Risk identification and Description 2) Leadership Evaluation 3) Controls Identification and Description 4) Leadership Review 5) Report Submission.

1. During the Risk Identification and Description phase, each Program Leader completes a matrix to identify and describe risks based on impact to their program area, and the agency as a whole (high/medium/low), likelihood of occurrence (high/medium/low), what is affected (Operations, Reporting and/or Compliance), and the risk's origination (Internal or External). Potential for fraud and significant changes are considered when identifying, analyzing, and responding to risks. Meetings are held to brainstorm risks and address questions.
2. The Leadership Evaluation phase includes discussion, examination, and determination of risks that could be identified for future monitoring.
3. During the Controls Identification phase, each Program Leader is asked to describe the control(s) already underway, and recommend new controls, to mitigate the risks in his or her areas.
4. The Leadership Review includes discussion and consideration of controls that are partially in place and whether or not current technology and resources can be leveraged for better management of risk. Leadership determines if new controls are needed, or if enhancements

are needed to existing controls.

5. Report Submission involves consolidating the Risks and Controls from each program area and preparing the report, within the guidelines provided by the Department of Finance.

Risks are compiled, examined, and discussed to determine the risks that should be identified for future monitoring. Along with any required implementation planning documentation, the Deputy Secretary of State, Operations and the Agency's Internal Auditor are responsible for following up and maintaining the agency's ongoing monitoring processes.

Executive Management established clearly defined objectives for assessing the agency's risks to enable the identification of risks and to understand our risk tolerance. During the Risk Identification and Description phase, each Program Leader completes a matrix to identify and describe risks based on impact to their program area and the agency as a whole (high/medium/low) as well as the risk's likelihood of occurrence (high/medium/low). During the Controls Identification phase, each Program Leader is asked to describe the control(s) already underway, and recommend new controls, to mitigate the risks identified in his or her areas. These factors are discussed and evaluated by Agency Leadership and taken into consideration during the Leadership Evaluation phase, when a complete list of agency risks are evaluated for their impact to the agency, their likelihood of occurrence, the control(s) already underway to mitigate the risk, and any recommended new controls. Those risks with higher impact to the agency, a higher likelihood of occurrence, and/or insufficient or difficult to implement control(s) are ranked as the agency's highest-impact risks. Those risks with a medium impact to the agency, a medium likelihood of occurrence, and/or with new controls in need of implementation are ranked as the agency's mid-range impact risks. Those risks with the lowest impact to the agency, a lower likelihood of occurrence, and/or with sufficient control(s) already underway are ranked as the agency's lowest-impact risks. Those risks with the highest impact to the agency are identified for future monitoring.

RISKS AND CONTROLS

Risk: 1. State Archives: Outdated Legacy Systems

The State Archives has multiple outdated electronic legacy systems that makes it difficult for the public to easily access the historic records of California online. The State Archives currently has six electronic legacy systems with outdated technology infrastructure that cannot support the business need for expanded workflows that provide streamlined online public services and access to historic records. These inefficiencies do not allow state agencies to electronically transfer records to the State Archives, requiring them to transfer records on insecure external hard drives and/or discs or to transfer records in paper format only. This not only delays public access to records as the paper records must be screened and digitized, but there is further risk as the State Archives is running out of physical space and is approximately 85% full. Without adequate technology infrastructure, there is a risk of data loss, security risks, and the limited ability for the State Archives to receive and provide access to electronic records for the public in a timely manner.

Control: A. Conduct Business Analysis

The State Archives/SOS have been working with the Department of Technology on the Stage 1 Business Analysis and project delegation forms.

Control: B. Pursue Additional Ongoing Resources

The State Archives will work with the SOS Executive Office to pursue additional ongoing resources to increase access to California's historic records and ensure that digitized and born-digital records are securely stored and available to the public.

Control: C. Issue Updated Guidance to State Agencies

The State Archives will issue updated guidance to state agencies regarding the formats and methods in which records are transferred to the Archives.

Control: D. Upgrade Existing Systems

With additional ongoing resources, the State Archives will work to upgrade and consolidate existing systems with Software-as-a-Service (SaaS) products.

Risk: 2. State Archives: California Channel Recordings

Limited funding and online solutions pose a risk to ensuring the ongoing online accessibility to California Channel recordings and "gavel to gavel" coverage of previous and future Legislative session recordings and materials.

The State Archives currently provides online access to the California Channel Video Archives from 2011-2019; however, legacy recordings of Legislative sessions from the 1980s to early 2000s have not been digitized, creating a risk that the physical format could deteriorate or become unreadable over time due to changing technology, potentially losing the valuable historic resources. These recordings are critical to the work of the State Legislature and other stakeholders, including state agencies and the public. Without online access to these records and future records, there is a risk of misinformation, public disengagement from the political process, and the inability for stakeholders to have access to materials in a timely manner.

Control: A. Pursue Additional Ongoing Resources

The State Archives will work with the SOS Executive Office to pursue additional ongoing resources to continue to provide access to the California Channel Video Archives and to digitize legacy recordings of Legislative sessions.

Risk: 3. State Archives: Statewide Records Management

The State Archives is responsible for statewide records management per Government Code 12270-12279 (State Records Management Act). It is critical that the enforcement mechanism for this Act is strengthened. State agency non-compliance presents a significant risk to the State and may result in significant costs associated with unnecessary storage, maintaining expired records, and potential legal issues.

Strengthening the enforcement of the State Records Act will ensure that state agencies are properly equipped to handle, store, maintain, and destroy or transfer records to the State Archives in accordance with approved Records Retention Schedules.

Control: A. Issue Statewide Records Management Regulations

The State Archives will issue statewide records management regulations to clarify the roles and responsibilities of state agencies.

Control: B. Provide Training to Records Management Coordinators

The State Archives will launch additional in-person and online records management training classes to ensure state agency Records Management Coordinators (RMCs) are properly trained.

Control: C. Update and Increase Online and On-site Presence

The State Archives will update SAM, handbooks, handouts, the website, forms, and other guidance to ensure that RMCs are adequately informed and have resources to properly implement the State Records Management Act. The State Archives will perform on-site visits to state agencies to advise on compliance with statewide guidance, regulations, and laws.

Control: D. Create Standard Retention Periods

The State Archives will work with state agencies to create standard retention periods for commonly created state records to ensure that records retention periods are consistent statewide.

Risk: 4. State Archives: Accessibility and Safety

The State Archives facility and website need several updates to ensure compliance with OSHA, ADA, and other safety and accessibility laws, including:

- Furniture: Large furniture must be braced to walls
- Ladders: Ladders in the stacks are deteriorating and must be upgraded
- Research Room Exhibit Area/Microfilm Viewing: Current configurations, furniture, and equipment are too high to view if seated in a wheelchair.
- Online Records/Website: Online documents and information must be upgraded to ensure compatibility with screen readers and other state requirements.

Control: A. Brace Large Equipment

The State Archives will work with the Management Services Division (MSD) and Department of General Services (DGS) to brace all large equipment to building walls.

Control: B. Replace Broken Ladders and Provide Safety Training

The State Archives will replace all broken ladders and ensure staff are adequately trained on safety requirements for lifting boxes on ladders.

Control: C. Determine Changes Needed to Public Spaces

The State Archives will work with the Management Service Division and DGS to determine what changes need to be made to the public spaces. If possible, these changes will be included in other DGS projects that are currently underway.

Control: D. Train Staff on ADA Compliance and Convert or Remove Non-Compliant Materials

The State Archives will ensure the appropriate staff are adequately trained on ADA compliance on the website and online records hosting services. Staff will convert or remove non-compliant material and will ensure that future online published materials meet appropriate laws and standards.

Risk: 5. State Archives: Access to Historic Records

Over time, the States Archives has received historic records without sufficient legal documentation or deeds of gift to legally transfer custody of the records to the State Archives. Until appropriate documentation is received, the State Archives is unable to fully process and provide access to the collections.

Control: A. Identify Mitigation Strategies

The State Archives will identify strategies to reduce the number of records without deeds of gifts of legal transfer documentation in order to comply with legal requirements and to limit the storage of inaccessible records.

Control: B. Contact Record Owners

The State Archives will work with SOS legal counsel to contact the owners of the records and obtain signed deeds of gift or return the records.

Control: C. Implement Unclaimed Property Process for Unclaimed Records

If owners of the records do not contact the State Archives, staff will work with the State Controller's Office to go through the unclaimed property process.

Risk: 6. State Archives: Unprocessed Records

The State Archives has a large quantity of records that are unprocessed or do not have enough describing information. This backlog is due to staffing shortages and the large quantity of records that exist in the Archives' collection. Records that are unprocessed or do not have enough describing information may inhibit the ability of the public to access public records or increase the risk of erroneously releasing records that are prohibited from disclosure by law.

Control: A. Conduct Inventory and Identify Resources to Reduce the Backlog

The State Archives will conduct a box-by-box inventory of its collections in part to compare the data with the online catalog to create a prioritized list of records that are unprocessed or do not have enough describing information. The State Archives will also estimate resources needed to reduce and/or eliminate the backlog.

Control: B. Identify Strategies to Reduce the Backlog

The State Archives will determine and implement strategies to address the backlog as quickly as possible utilizing existing equipment and staff.

Control: C. Pursue Additional Ongoing Resources

The State Archives will work with the SOS Executive Office to pursue additional ongoing resources for any unabsorbable workload to properly address and eliminate the backlog to ensure that records are adequately described and available to the public.

Risk: 7. State Archives: Onsite Physical Storage

The records storage within the State Archives' facility is currently approximately 83% full. It is estimated that within the coming years, the current facility will be at capacity. It is critical that we increase the long-term viability of on-site storage for California's historic records in physical formats. The State Archives We would be unable to accept new submissions of records until the problem is resolved. This would result in higher storage costs to agencies who would be unable to legally destroy these items and would be legally required to retain them until the State Archives could accept them onsite.

Control: A. Conduct Inventory and Deaccession Non-Historic Records

The State Archives will conduct a box-by-box inventory of its collections in part to determine if any on-site records do not contain historic value and do not meet the Archives' collecting policy. If any are identified, the State Archives will assign staff to evaluate the records and move forward with deaccessioning them from the collection.

Control: B. Convert to Mobile Shelving Units

The State Archives will work with the Management Services Division to identify and convert remaining fixed shelving units to mobile shelving units. This process will double the capacity of the converted shelves.

Control: C. Acquire Additional Off-Site Storage

The State Archives will work with the Management Services Division and the SOS Executive Office to determine the next steps for an additional off-site storage facility to store records from the State Archives collection.

Control: Digitize Onsite Records

If the storage issue could not be resolved, we would need to develop an alternative solution to digitize select onsite records, storing the digitized copy (digital surrogate) in a trusted system. The digital surrogate would replace the paper record and would become the legal, official record. This would allow some paper materials to be removed, freeing up onsite space. This solution would be a large project and would require additional resources to accomplish quickly and effectively. Not all records would be eligible to be replaced by a digital surrogate as some records (such as the Constitution, bound volumes, maps, photographs, etc.) have significant historical value in paper

form. A digital copy of these could be produced, but it would be for online access and could not replace the paper record.

Risk: 8. Business Programs: Ongoing Modernization

The Business Program Division's (BPD) ongoing modernization and automation efforts is making it easier to do business in California. California businesses cannot afford to be adversely impacted by an increase in processing times and delays in starting their businesses.

Businesses need California Business Connect to be fully implemented to offer timely and convenient online processing of filings and orders. If spending authority from the Business Programs Modernization Fund and/or the Business Filings Fund is lost or diminished, the programs from which the fees are collected and the development and maintenance of an online database will not be appropriately supported, businesses will be negatively impacted and the legislatively recommended average 5 business-day turnaround will be at risk. Further, funds not utilized for their intended purposes will be swept into the State's General Fund. Currently, any business fees in excess of the SOS expenditure authority is transferred to the General Fund except for \$1 million that SOS is statutorily allowed to reserve.

Control: A. Pursue Continued Ongoing Funding of CBC Project Resources

The Business Modernization or California Business Connect (CBC)) Project is an IT project. All IT projects are funded via an annual Budget Change Proposal, regardless of what fund pays for the expenditures. The Business Modernization Project has two funding sources, the Business Programs Modernization Fund (BPMF) and the Business Fees Fund (BFF); with both funds requiring expenditure authority via the Budget Change Proposal. Continued appropriation of funds from the Business Programs Modernization Fund and the Business Filings Fund via the Budget Change Proposal process will continue to partially fund the Business Modernization or California Business Connect Project.

Control: B. Continue Implementation of CBC Modules

California Business Connect is being implemented in modules to bring California businesses services as the project develops:

1. LLC Statements of Information – June 2017
2. Trademark Registrations Online – January 2018
3. LLC Formations Online – May 2018
4. LLC Terminations Online – December 2018
5. Trademark Modifications Online – May 2019
6. California Business Search Enhanced to include over 14.8 million images of Corporation, Limited Liability Company and Limited Partnership filings.
7. Eureka, SOS award winning Chatbot implemented in May 2018, has helped more than 100,000 customers navigate and find the answers they need on SOS website.

Coming soon:

1. Corporations Statements of Information Formations Online – December 2019

2. Corporations Formations Online –February 2020
3. Certificates of Status Online Orders – Spring 2019
4. Uniform Commercial Code Replacement – Summer 2019
5. Business Entities Features – TBD

Risk: 9. Elections: Outdated Legacy System

The current candidate filing and election night reporting system is outdated. The Elections Division currently uses a 20-year-old legacy system called CalVoter II for processing candidate filings, qualifying candidates, generating certified candidate lists, receiving and reporting statewide vote totals, and certifying nominated and elected candidates for state and federal office. The Division is currently in the process of developing a modern candidate filing and election night reporting system as a component of our statewide voter registration system, VoteCal. Should the new system not be completed in time for the election cycle, the legacy system will be used. However, there also is a risk of the legacy system failing. Should both systems fail, the county elections officials and the Division would have to manually process these filings and reports and may potentially not be able to fulfill our statutory duties by the statutory deadlines.

Control: A. Work to Ensure Back-Up System is In Place and Secure

The Division will work with the vendor as well as Information Technology and Executive Division staff to ensure the project is moving forward and that the back-up system is in place and secure, should it be necessary.

Risk: 10. Elections: National Voter Registration Act

Congress enacted the National Voter Registration Act of 1993, also known as the "NVRA" and/or "Motor Voter Act," to enhance voting opportunities for every American and to make it easier for all Americans to register to vote. In 2019, the California Secretary of State designated all California Community Colleges (CCCs), California State Universities (CSUs) and University of California (UCs) campuses with offices for students with disabilities as NVRA agencies. Also in 2019, the Secretary of State began regional trainings for these institutions to ensure success in student registration efforts. Under NVRA, the Secretary of State has specific reporting responsibilities that include tracking and reporting on voter registration numbers from NVRA VRAs and to report this data to the Election Assistance Commission.

The Elections Division has specific data collection and reporting requirements under NVRA. Work increased in 2019 when the Secretary of State designated 147 colleges and universities as NVRA agencies. Failure to report the required data will bring litigation from the U.S. Department of Justice. The NVRA allows the U.S. Department of Justice to bring civil action in federal court to enforce the Act.

Control: A. Maintain Oversight and Ensure Compliance

The Department of Finance approved three limited term (24-months) Associate Governmental Program Analyst positions to fulfill the data collection, reporting and training responsibilities required by the NVRA. While the Elections Division has successfully filled one of these three vacancies, filling the remaining two vacancies has proven to be difficult. Low interest from job seekers due to the current strong economy, while competing with other state agencies with full-

time permanent vacancies may be contributing factors. However, efforts by the Elections Division continue.

Control: B. Follow Protocols for NVRA Data Collection and Reporting

The Division will continue to follow established protocols to ensure continued NVRA data collection and reporting without interruption, while meeting designated deadlines. Staff attorneys will continue to be involved to provide support during training and to respond to questions when required.

Risk: 11. Executive Operations: Recruitment & Retention

The SOS has experienced significant challenges in filling vacancies requiring positions to be advertised several times resulting in delays to fill the positions and problems managing critical workload while understaffed. In addition, the SOS has an average 18% attrition rate per year so retaining qualified staff is also an issue.

- Due to limited advancement opportunities and low starting salaries, the State Archives struggles to retain qualified entry-level staff, who provide operational support to the division and customers.
- Due to the challenges and limitation of in person exams for the Program Technician series, the Business Programs Division and Political Reform Divisions are not getting qualified candidates applying for positions nor can they reach qualified internal candidates that have proven experience.
- Due to a consistent increase in the quantity and level of complexity of elections administration nationwide, it has become consistently difficult to adequately train, retain, and recruit candidates into positions, particularly higher-level Elections Specialists, due to experience, pay, and worker fatigue from overtime, level of responsibility, and workload expectations. As a result, the SOS is not able to provide a high level of oversight of and guidance to county elections officials.
- In addition, pay compensation remains a top barrier to hiring technical talent in state government. As long as we offer salaries to employees below local market rates, recruiting will continue to be an uphill battle for ITD.

Control: A. Expand Networking and Entice Job Applicants

The SOS will expand opportunities to advertise vacancies using electronic means such as LinkedIn, Facebook, etc. and participating in job fairs in the local Sacramento area. In addition, we will modify the job announcement to make it stand out and be more enticing.

Control: B. Streamline Procedures

The SOS will streamline agency recruitment procedures and improve screening and interview techniques used throughout the agency.

Control: C. Develop Agency Employee Recognition Program

The SOS will develop an agency employee recognition program to increase job satisfaction and employee retention. The program may include things like the Superior Accomplishment Award.

Control: D. Research Ways to Make SOS an Employer of Choice

The SOS will research other ways to make SOS an employer of choice by offering things like parking, health and wellness services, or pay differentials. We will pilot telecommuting and job-sharing opportunities for certain IT assignments and/or classifications. We will explore flexible work schedules; improve upward mobility opportunities; and budget for training for IT classifications.

Control: E. Improve Entry-Level Hiring Process

The SOS will discuss with Cal-HR how we make entry level positions (PT Series) easier to hire.

1. Change exams to online
2. Change entry level positions need for an exam
3. Allow promotions in place for qualified candidates proven to be top performers

Control: F. Phase Out Specialized Classifications

The SOS will consider the phase-out of specialized classifications through attrition and replace them with generalist classifications.

Control: G. Improve Recruitment and Retention for Hard to Fill Classifications

The SOS will discuss with CalHR ideas to improve recruitments and retention for hard to fill classifications:

- Information Technology
- Accounting
- Personnel Specialists

Risk: 12. Executive Legal: Public Records Act Requests

Streamlined processes for common types of PRA requests and a case management solution for the processing of PRA requests are needed at the SOS. Under the California Public Records Act (PRA), Government Code section 6250, et. seq., access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state and under that chapter, certain records may be exempt from public disclosure. The Secretary of State's office (SOS) has experienced an increase in the number of PRA and other document requests; however, the SOS currently has no agency guidance for common types of PRA requests or dedicated case management solution to efficiently process these document requests.

Control: A. Request Resources

The Secretary of State has requested resources from the Department of Finance for a case management solution for the processing of PRA requests. The Secretary of State has also included a request for resources for two Associate Governmental Program Analyst positions that would, amongst other duties, provide dedicated support with tracking and coordinating Public Records Act (PRA) and other requests across divisions.

Control: B. Survey Staff and Provide Guidance

The Executive Division will devise an internal survey to determine the Secretary of State's office most common types of PRA requests. After devising and executing the survey, the Executive Division will review the survey results. Depending on the results, the Executive Division will analyze the agency's previous responses to these most common PRA requests. Based on these previous responses and potential for new ones, the Executive Division will devise guidance on how to respond to the most common types of PRA requests.

- Within 6 months – devise and execute internal survey of most common types of PRA requests and review results. Continue monitoring resources request.
- Within 12 months – if resources received, integrate a case management solution as well as training opportunities and create/provide job posting for new positions. Analyze the agency's prior responses to the most common types of PRA requests.
- Within 18 months – continue above with respect to resources, including filling positions and training (if resources received). Devise draft guidance.
- Within 2 years, continue the above, as needed, and finalize guidance on responding to the most common types of PRA requests.

Risk: 13. Executive Legal: Centralized Legal Office

Lack of a centralized Legal Office limits opportunities for cross training and maximizing attorney resources. Currently, SOS attorneys do not operate under a centralized organizational structure, which prevents the SOS from maximizing its attorney resources to the fullest extent possible and promoting related cost-saving measures. Due to the current legal organization and structure, there remain barriers to centralize workload management across multiple divisions of attorneys. Additionally, this creates undue time constraints on the Chief Counsel and other currently tasked attorneys to more efficiently monitor and coordinate attorney workload between the divisions as well as coordinate the timing of workflow deadlines across all divisions. Lastly, due to the attorneys being housed in separate divisions, there remains significant obstacles to cross-training in other subject matter areas of law practiced within the agency.

Control: A. Continue and Increase Cross-Training Opportunities

Continue expansion of the Executive Division's pilot program where the Chief Counsel has already begun to cross train attorneys, including adding an Attorney III to the Executive Division. The Chief Counsel will continue to increase cross-training opportunities and take steps to move toward creation of a new Legal Office.

Control: B. Create New Legal Office

The Secretary of State has requested resources from the Department of Finance for two Associate Governmental Program Analyst positions that would, amongst other duties, provide assistance with tracking workload and filing deadlines, document preparation and review, filing briefs, and other tasks.

- Within 6 months, continue current pilot program and continue to expand cross-training

- opportunities. Continue to monitor funding.
- Within 12 months – if resources were received, create/provide job posting for new positions. Evaluate progress on cross-training and determine next steps for creation of new Legal Office.
- Within 18 months, evaluate progress on steps needed for creation of a new Legal Office.
- Within 2 years, complete steps needed for creation of a centralized Legal Office.

Risk: 14. Executive, Office of Risk Management: IAM

Lack of an Enterprise Identity and Access management (IAM) strategy and single solution to support all systems and applications for the SOS is a risk to the agency. The SOS currently uses multiple different types of (IAM) products. Since most of these products are custom code based for a specific application, they are implemented and used inconsistently across the agency. In addition, some of these products are end of life and are in need to be replaced.

An IAM is a set of business processes, information, and technology implemented to manage and use digital identities, including but not limited to password management, centralized authentication, session management, multi-factor authentication, auditing and single sign-on. An unsupported or unreliable IAM could result to weak and mismanaged credentials that are attributed to most of the security breaches. Having an enterprise single solution that provides varying aspects of protection must be adapted to ensure strong identity and access control are in place.

Control: A. Develop and Implement Enterprise Single Solution and IAM

The Office of Risk Management will work with the Executive Office to develop and implement an enterprise single solution and IAM.

Risk: 15. Information Technology: Outdated Wireless

Outdated Wireless Controllers and Access Points pose a risk to the SOS. SOS Wireless Controllers and Access Points are outdated (more than 10+ years old) and are no longer supported by the vendor. This creates a high security risk to the department. In addition, many “dead-spots” exist throughout the SOS building which impacts wireless capabilities for SOS staff and its visitors (i.e. contractors, vendors, etc.).

As with all IT related software and hardware, individual hackers find wireless security holes to exploit all the time. Typically, when these types of exploits are known, manufacturers plug the holes by issuing updates (firmware). Due to the age of our current hardware and configuration (installed more than ten years ago), combined with an increase in mobility and wireless demands, ITD/SOS is unable to provide adequate wireless access for the multitude of devices SOS utilizes: laptops, mobile phones, and tablets. The SOS must create a wireless environment that gives its employees and visitors up-to-date security along with the freedom to easily scale the number of devices on our network.

Control: A. Purchase Wireless LAN Controller and Access Points

The SOS will purchase new Wireless LAN Controller and Access Points.

Control: B. Install Wireless LAN Controller and Access Points

The SOS will install new Wireless LAN Controller and Access Points.

Control: C. Rewire/Upgrade SOS Building

The SOS will rewire/upgrade the SOS building to allow for additional Wireless Access Points.

Risk: 16. Information Technology: Data Security

The Secretary of State Information Technology Division reports that risks to data security at the SOS include:

1. The unauthorized or accidental release of classified, personal or sensitive information;
2. Natural occurrences (e.g., hurricanes, earthquakes, tornadoes) may damage or affect the system/application or lead to a partial or total outage, affecting availability;
3. A commercial power failure or fluctuation may cause denial of service to authorized users or a modification of data;
4. An intentional modification, insertion, or deletion of data, whether by authorized user or not, which compromises confidentiality, availability, or integrity of the data produced, processed, controlled, or stored by data processing systems.
5. An accidental configuration error during the initial installation or upgrade of hardware, software, communication equipment or operational environment.

Control: A. Establish Ongoing Risk Assessment

The SOS is in the process of establishing ongoing risk assessment of the following practices:

1. Organizational and Management - security program governance, confidentiality agreements, system security documentation, system certifications, configuration change control, security categorization, and vulnerability.
2. Personal - security awareness programs, HR security programs, and position categorization by access control.
3. Physical security - physical and environmental programs and controls and secure disposal of equipment.
4. Data security - disaster recovery planning, adequate information backup, monitoring, data classification, access controls, ensuring principle of least privilege, data storage and portable media protection.
5. Information security - identification and authentication and device identification and authentication policies and procedures, malicious code protections, intrusion detection, security alerts and advisories.
6. Software integrity - system and services acquisition safeguards and maintenance of software.
7. Personal computer security - device hardening, inactive computer device lock-out, and secure data storage.
8. Network protection - boundary, network infrastructure, and data transmission integrity.

Control: B. Security Planning Controls

The SOS is in the process of implementing the following security planning controls:

1. Create policy and procedures covering roles, responsibilities, scope, and compliance for all aspects of security for the organization including systems security, network security, and physical security. Modify as conditions and technologies change.
2. Create a system security plan which provides an overview of the controls and the risks associated with the system. The plan is reviewed and approved by designated officials.
3. Review and update the system security plan either periodically or when modifications or new threats to the system warrant it.
4. Communicate rules of behavior to all computer users through a computer systems appropriate use policy. The policy covers inappropriate use regarding non-business and use that may provide a security risk such as use of wireless equipment, creation of a different connection to the internet, use of file sharing programs, instant messaging, and other non-secure uses. Have users sign a form stating that they have read the policy and agree to abide by it.
5. Conduct a privacy impact assessment on the computer system.

Control: C. Configuration Management Controls

The SOS is in the process of implementing the following configuration management controls:

1. Assign responsibilities and provide procedures for changes to systems or software. Provide a mechanism to enforce compliance and a control to keep documentation current.
2. Establish a baseline configuration for each system with documentation and an inventory of components including version numbers of all components.
3. Configuration changes to systems must be approved by appropriate officials.
4. Monitor and record configuration changes to systems. Analyze the configuration changes to be sure there are no adverse effects caused by the changes.
5. Restrict access for changes to systems and prevent a conflict in change by only allowing one person to make changes at a time.
6. Document and monitor system configuration settings. The configuration settings are to be the most restrictive for security, but still support the business case.
7. Least functionality - Shut down unneeded services, port access, or programs on computer systems.

Control: D. Accountability and Audit Controls

The SOS is in the process of implementing the following accountability and audit controls:

1. Define roles, responsibilities, and compliance regarding auditing and address auditing of security controls including checking server maintenance and controls to make sure security policies are enforced.
2. Auditable events include system events, application events, and security events including user logon and logoff times. Decide which events should be monitored.
3. Content of audit records shall detail the time of the event, the event outcome, the event source, and the type of event.

4. Systems must be managed to allow sufficient storage for audited events for a minimum period of time as specified by the organization. Notify management and administrators when the system reaches its storage capacity limit. Set the system to overwrite the oldest audit records, stop recording audits, or shut down.
5. Regularly review and monitor audit logs for suspicious activity or events and investigate. Use tools to expedite the use of the audit logs and the time of events are recorded. Protect the logs from unauthorized modification, deletion, or access.

Control: E. System Services and Acquisition Controls

The SOS is in the process of implementing the following system services and acquisition controls:

1. Create a system services and acquisition policy defining the methods of design of new systems, how major changes are made to existing systems, the design approval process, system support, resource allocation, documentation of systems, how outsourcing can be done, minimum requirements, etc..
2. Create procedures with greater detail about who is responsible and the step by step processes.
3. Determine, document and allocate resources. Budget items so resources are available to allow the system to meet business need.
4. Determine the security requirements based on the business case. Ensure the system development lifecycle method meets security needs.
5. Declare security requirements for acquisition systems in the acquisition contracts and ensure guidance is included about products that are evaluated as secure along with information about required documentation, development practices, testing requirements, etc. Ensure sufficient documentation is provided about how to make the system more secure. Contractors must provide the same level of security and documentation in their products as is expected by the organization.

Control: F. Software Usage Restrictions Controls

The SOS is in the process of implementing the following software usage restrictions controls:

1. Specify allowed software. Only approved software can be used in the organization.
2. Provide a method to detect, block, or prevent installation of non-approved software.
3. Use software in accordance with licensing.
4. Enforce rules covering the downloading and installation of software.

Risk: 17. Management Services: Fi\$CAL

The SOS transitioned onto the new accounting system of record, Fi\$CAL, in July 2018. The transition has been neither smooth, nor easy. Fi\$Cal implementation has resulted in a myriad of serious issues for the SOS Accounting and Contracts Offices including: increased workload, staff turnover and recruitment issues, system functionality issues, training issues, missed deadlines, backlogs, compliance issues and procedural implementation and documentation problems. Management and our limited staff are working diligently to resolve these issues.

Control: A. Fill Vacancies/Hire More Staff

Due to the exponential amount of ongoing increased workload created through this transition, the SOS was granted several new limited funded positions through the 19/20 BCP process.

The SOS currently has open recruitments for various classifications in order to fill the vacancies created by departing staff, as well as the new positions acquired through the BCP process.

Filling these positions will allow for a more accurate evaluation of staff-to-workload needs. An evaluation is needed to support making positions permanent and to assess whether additional positions are needed in order to handle the increased workload associated with FI\$Cal implementation.

Control: B. Receive Training and Assistance

Training and onsite assistance is needed from DOF to complete Year-end Close (YEC) for FY 18/19 and Month-end Close (MEC) for current Periods in FY 19/20. The SOS has requested assistance from DOF to complete a successful YEC and have been advised that they will be available for assistance as soon as we are able to fully close Period 12 for 18/19.

- The SOS has been able to close Periods 2 through 11 over the last several months and is making progress towards the full closure of Period 12, which will allow us to reap the benefits of DOF's assistance and successfully close the FY 18/19.
- Additionally, although we have not yet closed FY 18/19, we have worked closely with FI\$Cal and DOF to modify our setup to allow for us to begin closing the current Periods in FY 19/20; thus, allowing us to work through the MEC process.
- Currently working on cost allocation/depreciation for Period 12; once completed we will request the full closure of Period 12.
- Upon closure of Period 12, we will request assistance for DOF with reconciliation and 18/19 YEC.
- Concurrently, we are working to close Periods 1-3 for 19/20.

Control: C. Reduce the Check Scanning Backlog

There is a check scanning backlog that is directly related to FI\$Cal implementation due to the deposit/remittance process consolidation within one unit, as well as that same unit staff being responsible for cumbersome entries required in FI\$Cal to remit a deposit. With the SOS taking in approximately 80,000 checks per month, the checks in queue that are waiting to be scanned while those staff are busy doing FI\$Cal entries start to stack up; creating a backlog and resulting in unrecognized revenues for the State. The SOS has explored several options to address the check scanning backlog including redirecting the check scanning workload back to the bank and partnering with other state agencies that have more sophisticated check scanning machines that could handle the volume. Ultimately, the State Treasurer's Office (STO) agreed to provide the SOS with higher capacity scanners. SOS staff are now working to reduce the check scanning backlog. As soon as the backlog is reduced, staff will have more time to dedicate to resolving other FI\$Cal implementation issues, which will reduce our risk.

Control: D. Complete TO BE Procedures

Since the last year has been a series of “lessons learned” we have yet to develop “to be” procedures, which are the procedures needed to move forward with regular SOS Accounting processes using FI\$CAL. So many of our processes have been customized due to a delayed start using FI\$Cal, that what we have learned so far may not be what our processes will be moving forward. In addition, the control agencies that we interface with are not yet all fully functional within the new system. As the control agencies are transitioning, they are also changing procedures. This requires staff to learn and relearn processes, often causing confusion and errors. The errors take time to resolve. This exacerbates the delays in completing YEC and MEC processes and has thus far, made developing our new “to be” procedures impossible.

As soon as the other major risks associated with FI\$Cal are mitigated, we will be able to complete the “to be” procedures and move forward with training new staff appropriately, which will in turn reduce risk.

Control: E. Update and Finalize Policy and Procedures Manual

MSD will update and finalize the Procurement and Contracts policy and procedures manual. DGS requires this manual to be up to date at all times.

Due to the implementation and on-going changes of FI\$Cal, the SOS’s specific Procurement and Contracts policy and procedures manual has not yet been fully updated and finalized. This affect compliance because DGS requires this manual to be up to date at all times.

We will be able to update and finalize the Procurement and Contracts policy and procedures manual as soon as the other major risks associated with FI\$CAL are mitigated.

Risk: 18. Management Services: High Hazard Employer

The Secretary of State has been identified as a High Hazard Employer. The Management Services Division (MSD) identified the Secretary of State (SOS) as a High Hazard Employer according to the SOS’s Experience Modification System (ExMod). Departments with an ExMod of 125% or greater are identified as a High Hazard Employer, which affects the SOS’s insurance premiums.

The ExMod is affected by the number of claims and the expense of the claim. More claims, or more expensive claims, generally result in a higher ExMod. The SOS’ ExMod is currently at 231%, which is significantly higher than the identified threshold.

Control: A. Provide Training

The SOS will arrange additional training to ensure all employees develop safe work practices. Training will include employee skill development and education on preventative care.

Control: B. Replace Equipment

The SOS will continue to replace equipment with safer alternatives such as ergonomic products. Ergonomic products are tools for risk mitigation that suit cognitive and physical characteristics through well-designed furniture and equipment to prevent repetitive strain injuries. The SOS will

also train workers to identify signs and/or symptoms of strain to prevent permanent damage.

Control: C. Identify Vulnerable Assets

The SOS will identify vulnerable assets in the workplace that pose a risk to employees with the intent to prevent injuries.

Control: D. Monitor Internal Policy Compliance

The SOS will monitor internal policy compliance, which will include employee safety standards and procedures, as well as make necessary revisions to the Injury and Illness Prevention Plan (IIPP).

Control: E. Work with SCIF to Manage Claims

The SOS will continue to work closely with the State Compensation Insurance Fund (SCIF) on active Workers' Compensation claims to assist the adjusters to effectively manage claims that will in turn help reduce the ExMod percentage.

Risk: 19. Management Services: Leave Management

The Management Services Division (MSD) identified a deficiency in the oversight of vacation and annual leave balances that could potentially create an unfunded liability to the departmental budget.

As referenced in the CalHR Manual Section 2124, departments are required to comply with existing leave statutes, regulations, policies and MOUs pertaining to leave. The Secretary of State (SOS) is comprised of employees represented by SEIU (BU 1, 4, 14, 21), CASE (BU 2) and CSLEA (BU 7), as well as excluded employees subject to California Code of Regulations, title 2, section § 599.742.1, all of which identify a maximum 640 hour cap of annual leave/vacation hours.

The SOS currently has 42 employees over the maximum 640 hours, some with balances up to 2800+ hours. There are 8 additional SOS employees who will exceed 640 hours by January 2020.

Control: A. Implement Leave Management Program

The SOS Executive Office has approved a Leave Management Program to be implemented effective January 1, 2020. The program includes oversight by Human Resources Bureau staff, annual reports, formal communication to employees and management, tools, and templates aimed to reduce leave balances that exceed existing leave statutes, regulations, and MOUs.

Control: B. Conduct Internal Audits

The SOS will conduct internal audits by generating quarterly reports to monitor employees' leave to ensure compliance with SOS leave procedures. The SOS will provide guidance to management staff on monitoring employee leave balances as well as the development and enforcement of leave reduction plans.

Control: C. Apply Preventative Measures

The SOS will apply preventative measures to maintain appropriate leave balances such as

scheduling small blocks of time to keep balances from growing, requiring overtime to be paid, participate in the Leave Buy-Back Program when fiscally feasible, avoid make-up time, and encourage the use of vacation or annual leave as it is accrued to ensure the agency is actively reducing hours.

Risk: 20. Management Services: HR Case Management

Without a formal database system, the Human Resources Bureau faces ongoing risks in its ability to adequately manage and secure the administration of employee information related to all aspects of human resources. Each HRB section operates in a complex employment, regulatory, and procedural environment as directed through partnering agencies such as California Department of Human Resources (CalHR) and the State Controller's Office (SOS). Until the SOS procures a formal database management system the SOS HRB operations including the administration of various services including personnel transactions, career opportunities, recruitments, administration of exams, health benefits, leave of absence, health and safety, workers' compensation, and Equal Employment Opportunity Programs will continue to operate under vulnerabilities of audit findings, discrepancies and high risk of error due to endless manual processes. This risk ultimately leaves the agency in a potential increase of compliance woes impacting the integrity of our organization.

Control: A. Conduct Market Research

The Human Resources Bureau will conduct market research to identify options for a case management system, estimate the cost for the system and work with ITD on acceptable system specs.

Control: B. Identify Resources

The Management Services Division will work with SOS Executive staff to identify resources for a HR case management system.

Risk: 21. Political Reform: Outdated Legacy System

The California Automated Lobbying and Campaign Contribution and Expenditure Search System (CAL-ACCESS), deployed in June 2000, provides for viewing and reporting of accurate and consistent campaign and lobbying data by many customers and stakeholders. CAL-ACCESS employs a consolidation of software, firmware and hardware all of which is past end-of-life, resulting in difficulties in supporting and maintaining the system. The system is unable to (or does not) enforce the reporting of accurate and consistent data; impedes the ability to respond to a dynamic legislative and regulatory environment; possess a risk of failure with no assured path to timely recovery. Over the 19-year span of CAL-ACCESS operation, the system has become obsolete. From 11/29/2011 through the month of December 2011, CAL-ACCESS experienced an outage, during which time the public, including filers, were unable to access the system. CAL-ACCESS is no longer supported by vendors, posing a serious risk to recovery. As a result of the system's age and its original design features, it suffers these critical vulnerabilities: (a) Obsolete Platform and operating system, (b) Outdated and inflexible architectural design, and (c) Lack of software and system documentation.

The Secretary of State (SOS) is in the process of replacing CAL-ACCESS, by means of the CAL-ACCESS Replacement System (CARS) project. Senate Bill No. 84 extended the date for the SOS to

make the new system available for use to February 2021, allowing more time to get the new system online. In addition to the risks identified above, the project to replace the CAL-ACCESS system has increased the number of contractors that work within the Division. The Political Reform Division has run out of workstations available for contractor use.

Control: A. Continuing System Development

The System Integrator (SI) team, working in collaboration with the Subject Matter Experts and other Project Team members, continued the new application design and development. The SI continues working on completing system development iteration.

Control: D. Identify Alternate Work Space and Relocate

To mitigate workspace issues, PRD has identified alternate workspace that may allow for the relocation of CARS project managers and contractors to the Agency's PC lab or to another division (Archives).

Control: E. Implement Alternative to Modular Workstations

To further mitigate workspace issues, PRD has identified shared network connectivity to allow vendors and project team members to utilize laptops versus the use of a standard modular workstation.

CONCLUSION

The Secretary of State 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.

Alex Padilla, Secretary of State

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