

December 12, 2025

Nick Maduros, Secretary
California Government Operations Agency
1304 O Street, Suite 300
Sacramento, CA 95814

Dear Secretary Nick Maduros,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California Victim Compensation Board submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Shawn Ramirez, Deputy Executive Officer, at (916) 491-3505, Shawn.Ramirez@Victims.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Victim Compensation Board (CalVCB) defines its mission as being a trusted partner in providing restorative financial assistance to victims of crime. Guided by its vision of helping victims restore their lives, CalVCB remains dedicated to removing barriers, expanding access, and supporting victims as they rebuild with dignity and hope. The organization is grounded in its core values of integrity, respect, compassion, dedication, collaboration, and innovation. Integrity is demonstrated through honesty and ethical behavior, respect through treating everyone with courtesy and decency, and compassion through the care and concern shown to victims and their well-being. Dedication is reflected in the professionalism and purpose with which CalVCB staff serve, collaboration fosters an environment of teamwork, and innovation inspires creative solutions to improve service delivery and support.

In 2025, CalVCB launched its 2025-2028 Strategic Plan, which builds on the achievements of the previous four years and aligns the organization's goals with the evolving needs of California's communities. The plan reflects extensive engagement with staff, stakeholders, and community partners to identify opportunities for improvement and growth. Through this process, CalVCB reaffirmed its mission and values while setting a forward-looking agenda focused on access, experience, and workforce development.

The first strategic goal, Promote Access and Equity to CalVCB Services, emphasizes increasing awareness and applications from eligible victims, strengthening stakeholder engagement, and expanding language access to better serve Californians. The second goal, Enhance the

CalVCB Experience, focuses on modernizing technology to improve efficiency, leveraging digital tools to strengthen service delivery, and simplifying communication through plain language. The third goal, Foster a Strong Workforce to Best Serve Victims, prioritizes appropriate staffing levels, professional development, and collaboration to ensure that CalVCB employees remain empowered and aligned with the organization's mission.

CalVCB remains steadfast in its commitment to excellence, accountability, and compassion. The Strategic Plan provides a clear roadmap for CalVCB to continue expanding access, improving the victim experience, and investing in its workforce. Through these collective efforts, CalVCB will continue to make a meaningful difference in the lives of victims and their families across California.

Control Environment

CalVCB operates under the direction of a three-member Board that is dedicated to supporting victims of violent crime. The Board includes the Secretary of the Government Operations Agency, who serves as Chair, the State Controller, and a public member appointed by the Governor. Together, they provide oversight, establish policy, and make decisions on appeals and claims, including those submitted by individuals who were wrongfully convicted.

CalVCB continues to operate as a small but focused department with about 280 authorized positions. The organization is structured to promote efficiency, accountability, and coordination across programs. CalVCB is composed of five main divisions: Legal, Appeals, and Probate; Victim Compensation; Administration; Information Technology; and External Affairs and Compliance. Each division has distinct responsibilities that contribute to fulfilling CalVCB's mission of providing restorative financial assistance to victims of crime.

The organizational structure ensures clear communication, defined roles, and accountability at every level. Reporting relationships and responsibilities are documented through organizational charts and duty statements, which guide operations and oversight. Management teams meet regularly to review key activities, assess potential risks, and identify actions that strengthen internal controls and ensure program integrity.

In 2025, CalVCB introduced its Strategic Plan 2025-2028. The plan builds upon the progress achieved over the previous four years and provides a roadmap for improving access to services, enhancing the experience of victims, and developing a strong and skilled workforce. Together with the department's Annual Report, these efforts demonstrate CalVCB's ongoing commitment to transparency, accountability, and continuous improvement.

CalVCB's control environment is grounded in ethical conduct and integrity. The organization's core values of integrity, respect, compassion, dedication, collaboration, and innovation guide

staff actions and decisions. Employees are expected to uphold these principles and are encouraged to report concerns through established reporting channels that support openness and accountability. By maintaining a culture based on professionalism, ethics, and public service, CalVCB continues to provide effective, reliable, and compassionate support to victims while ensuring responsible stewardship of public resources.

Information and Communication

CalVCB fosters a culture of communication, collaboration, and teamwork across all levels of the organization. Leadership encourages open and consistent information sharing between management and staff to support effective decision making, operational transparency, and accountability. Information flows upward, downward, and across divisions, ensuring that all employees have access to the knowledge and context necessary to perform their work effectively and align with organizational goals.

To support this communication environment, CalVCB continues to adapt to the modern workplace through a hybrid work model that combines in-person and remote collaboration. The department uses digital tools such as Microsoft Teams to facilitate real-time engagement among staff and management, allowing employees in various locations to connect seamlessly, exchange information, and work collaboratively on projects and initiatives. This approach enhances organizational cohesion and allows for consistent communication regardless of physical location.

CalVCB also strengthens communication across functional areas through interdivisional collaboration. Cross-functional teams are established to coordinate on major projects and initiatives, encouraging input from multiple perspectives and ensuring consistency across programs. The Administration Division's Training Unit supports this collaborative approach by developing an annual training plan informed by feedback from staff throughout the organization. This plan serves as a guide for employee development and ensures that training programs are responsive to evolving needs and priorities.

Externally, CalVCB maintains strong communication and engagement with stakeholders through the Public Affairs and Outreach Team within the External Affairs and Compliance Division. The team oversees outreach campaigns, media relations, and public information efforts, including press releases, fact sheets, and digital content. During the past year, CalVCB expanded its outreach through public events, community partnerships, and awareness campaigns that increased visibility among victims and service providers statewide.

CalVCB also produces a range of internal communications to keep employees informed and connected. Regular newsletters and internal articles share updates on organizational achievements, policy changes, and employee recognition. These communication efforts align with CalVCB's Strategic Plan and reinforce the organization's commitment to transparency,

collaboration, and service excellence. By maintaining open and consistent channels of communication, both internally and externally, CalVCB ensures that staff, partners, and stakeholders remain engaged and informed in support of its mission to assist victims of crime.

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 California Victim Compensation Board monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Natalie Mack, Chief Deputy Executive Officer.

Monitoring at CalVCB is an ongoing and integrated process that ensures accountability, transparency, and continuous improvement across all divisions. The organization employs a layered approach to evaluate performance, assess risks, and strengthen internal controls. Division leaders and managers conduct regular reviews of operational activities, key performance indicators, and financial transactions to identify potential issues and opportunities for improvement. Routine meetings between managers, Deputy Executive Officers, and executive leadership help ensure that risks are promptly addressed, corrective actions are implemented, and accountability is maintained across all organizational levels.

Each division contributes to the overall monitoring framework. The Information Technology Division manages information security and privacy programs led by the Information Security Officer and Privacy Officer. These programs safeguard sensitive data through proactive monitoring, cybersecurity assessments, and employee training to ensure compliance with statewide technology and privacy standards. The External Affairs and Compliance Division oversees compliance with applicable laws, regulations, and internal policies. This division reviews procedures, evaluates internal controls, and investigates potential policy or regulatory concerns. Findings are used to strengthen operational integrity and reinforce CalVCB's culture of compliance and accountability.

The Victim Compensation Division (VCD) maintains structured internal checks to ensure the accuracy and reliability of claim processing and payment decisions. The California Compensation and Restitution System (CARES) is used to process applications, track documentation, and record compensation outcomes. Program managers conduct quality control reviews of claims and invoices before payment release, followed by post-review audits to ensure accuracy, consistency, and compliance. Results from these reviews are documented and analyzed to identify trends, reinforce best practices, and apply corrective actions where necessary.

When potential fraudulent or improper activity is detected, the issue is escalated through the VCD management chain and referred to the Compliance Section, Fraud Hotline for investigation. Findings and recommendations are reviewed by the Executive Team in consultation with the Chief Counsel to determine appropriate administrative, legal, or enforcement actions.

Through these coordinated activities, CalVCB maintains a strong and responsive monitoring environment that supports effective governance and program integrity. Continuous review, internal evaluation, and timely corrective action ensure that the organization operates efficiently, upholds high ethical standards, and maintains the trust of the victims and communities it serves.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Victim Compensation Board risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, 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, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Recruitment and Retention

CalVCB continues to face a substantial risk related to the recruitment and retention of qualified staff, demonstrated by a vacancy rate of approximately 15 percent and ongoing challenges in filling newly established positions. The department recently received 17 new positions, including 15 attorney classifications that are particularly difficult to recruit for due to higher private-sector compensation and statewide competition for legal professionals.

The risk stems from CalVCB's limited ability to attract and retain a qualified workforce necessary to support complex operational and statutory obligations. Despite continued efforts through implementation of the 2021–2025 Workforce Strategic Plan and expanded recruitment outreach, the department's smaller size, constrained career advancement opportunities, and rigid classification structure particularly between Staff Services Analyst (SSA) and Associate Governmental Program Analyst (AGPA) positions have hindered staff mobility and retention.

Over the past three fiscal years, CalVCB has experienced high turnover rates, averaging 25 percent for SSAs and 13 percent for AGPAs. The frequent loss of trained staff requires recurring investment in onboarding and training, which disrupts workflow and decreases overall productivity. Additionally, the inability to promote within classification series limits long-term career development and contributes to employee attrition.

The root causes of this risk include restricted upward mobility within the current classification model, compensation disparities with other state departments, and the statewide shortage of experienced analysts and attorneys. These challenges collectively impact CalVCB's operational capacity, increase workload for remaining staff, and create potential delays in meeting statutory deadlines. Without mitigation, these conditions may affect CalVCB's ability to sustain consistent service delivery, maintain program compliance, and achieve its mission of providing timely and effective assistance to victims of crime.

Control: Workforce Recruitment, Retention, and Classification Modernization Strategy

To mitigate the risk associated with recruitment and retention challenges, CalVCB is implementing a comprehensive workforce strategy focused on strengthening recruitment outreach, improving career mobility, and modernizing the department's classification structure. Efforts include targeted participation in statewide and industry-specific job fairs, collaboration with professional legal associations, and enhanced use of online recruitment platforms such as LinkedIn and Indeed to broaden candidate outreach.

CalVCB is also pursuing the establishment of interchangeable classifications between the SSA and AGPA series to improve promotional pathways, reduce turnover, and retain institutional knowledge. This structural adjustment will allow

the department to align with statewide practices, provide clearer career progression for staff, and reduce administrative barriers to recruitment and promotion.

Additional actions include continued monitoring of vacancy and turnover trends, training for hiring managers to streamline recruitment processes, and ongoing coordination with CalHR and the Department of Finance to align classification and staffing proposals with statewide workforce management objectives.

These combined efforts are designed to increase CalVCB's competitiveness in attracting and retaining qualified professionals, strengthen workforce stability, and maintain consistent operational performance necessary to meet program and statutory requirements.

Risk: Contracting and Procurement Compliance

CalVCB faces a risk in maintaining consistent compliance with statewide contracting and procurement requirements as established in the State Contracting Manual (SCM), the State Administrative Manual (SAM), and applicable Department of General Services (DGS) policies. The 2025 DGS Compliance Audit identified instances where contracts were initiated prior to appropriate union noticing, certain agreements did not include the current standard terms and conditions, and some lacked required language such as the "Economic Sanctions" clause.

This risk stems from staff turnover, varying levels of contracting experience, and evolving policy requirements that can lead to inconsistent application of contracting procedures. These factors have resulted in process gaps and increased the potential for noncompliance with state regulations. Without adequate oversight and comprehensive staff training, CalVCB may face delays in procurement timelines, potential disallowance of expenditures, or reputational impacts that could hinder program and operational continuity.

The underlying causes of this risk include the need for enhanced procedural documentation, periodic refresher training, and consistent communication of policy updates across all divisions involved in procurement and contracting activities. Given

CalVCB's reliance on timely, compliant contracting to support victim compensation and grant operations, strengthening controls in this area is essential to ensure fiscal accountability, transparency, and uninterrupted service delivery.

Control: Contracting Compliance and Training

To mitigate the risk associated with contracting and procurement compliance, CalVCB has implemented a comprehensive strategy designed to strengthen internal controls, standardize procedures, and enhance staff knowledge of state contracting requirements. Efforts focus on ensuring that all contracts are processed in accordance with the SCM and relevant DGS policies.

CalVCB has updated its contracting and procurement procedures to require DGS/OLS approval prior to execution of contracts exceeding delegated authority, and to clearly prohibit any work from beginning before the effective contract term. Standardized communication templates now remind contractors that work may not begin until the agreement is fully executed. In addition, all contract and purchase order templates have been updated to include the most current version of the State's standard terms and conditions and all required clauses.

CalVCB continues to reinforce staff knowledge through participation in DGS Procurement and Contracting Academy (PCA) training, annual internal seminars, and mentorship from experienced contract analysts. Management has implemented early renewal planning and pre-execution review meetings to ensure timely submission and approval of contracts. These actions collectively enhance compliance, reduce administrative errors, and strengthen accountability across all contracting functions.

This control is ongoing and monitored through quarterly internal compliance reviews and annual staff training cycles. The Deputy Executive Officer of Administration and the Contracts and Procurement Manager are responsible for implementation and oversight.

By maintaining rigorous review processes, consistent training, and updated procedures, CalVCB will ensure full compliance with statewide contracting requirements while promoting operational efficiency, fiscal integrity, and timely delivery of services.

Risk: Personnel Documentation and Merit System Compliance

CalVCB faces a risk of noncompliance with statewide civil service merit system requirements, primarily related to the accuracy and completeness of hiring and appointment documentation. The May 2025 State Personnel Board (SPB) Compliance Review identified deficiencies in several areas, including incomplete recruitment documentation, missing verification of minimum qualifications, inconsistent examination documentation, and insufficient justification within certain hiring files.

This risk arises from high hiring volume, evolving state human resources policies, lack of documented procedures in HR and staff turnover in the HR unit, which have contributed to varying levels of experience and documentation consistency. These conditions increase the risk of administrative errors, delayed hiring, or findings of noncompliance during future reviews, which could affect CalVCB's delegated authority and credibility in the state's merit-based selection process.

The root causes include limited staffing within HR, lack of HR knowledge with staff turnover, and the need for enhanced quality assurance procedures to ensure alignment with State Personnel Board and CalHR requirements.

Addressing this risk is critical to maintaining the integrity of CalVCB's merit-based hiring practices, ensuring fair and competitive recruitment processes, and supporting timely onboarding of qualified staff essential to CalVCB's mission and operations.

Control: Merit System Compliance, Documentation, and Procedure Improvement

To mitigate the risk associated with personnel documentation and merit system compliance, CalVCB has implemented a comprehensive strategy focused on strengthening HR procedures, improving oversight, and ensuring consistent adherence to state merit system requirements.

CalVCB has reviewed and revised internal HR procedures to align with the SPB compliance standards. The department is implementing a formal quality assurance checklist for all hiring and examination files to verify completion of key documentation prior to final approval. HR analysts and supervisors are required to review each file for minimum qualification verification, interview scoring documentation, and required justifications.

CalVCB has also increased staff participation in SPB and CalHR training courses to ensure awareness of the latest merit-based selection requirements. Ongoing refresher training is now part of the HR unit's professional development plan, emphasizing documentation standards, examination administration, and audit readiness. Additionally, management has established quarterly self-audits of hiring files to identify and address potential compliance gaps proactively.

This control is ongoing and monitored through quarterly HR compliance reviews and annual internal audits. Through enhanced training, procedural consistency, and documentation verification, CalVCB is ensuring continued compliance with SPB standards while strengthening the integrity, transparency, and fairness of its hiring processes.

CONCLUSION

The California Victim Compensation Board 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.

Lynda Gledhill , Executive Officer

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency