

December 24, 2025

Kim Johnson, Secretary  
California Health and Human Services Agency  
1215 O Street  
Sacramento, CA 95814

Dear Secretary Kim Johnson,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of Community Services and Development 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 Megan Rivers, Administrative Division Deputy Director, at (916) 576-7109, [megan.rivers@csd.ca.gov](mailto:megan.rivers@csd.ca.gov).

## **GOVERNANCE**

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### **Mission and Strategic Plan**

#### **Mission**

To improve the economic security of vulnerable Californians through programs and partnerships that support the state's diverse communities.

#### **Strategic Goals**

CSD will increase its capacity to equitably serve vulnerable Californians and improve their economic security by focusing on the following strategic goals:

1. Strengthen CSD's culture to build a thriving workforce that lives our values, serves our mission, and advances our vision.
2. Improve operational efficiencies, processes, and internal structures.
3. Develop our workforce to improve current knowledge, skills, and abilities, and plan for future business needs.
4. Strengthen existing partnerships and expand new ones to execute our programs more effectively.
5. Advance equity and enhance community-level service delivery.
6. Position CSD to leverage emerging opportunities to expand our programs and develop partnerships for a broader reach to achieve our vision.

**Programs administered by CSD:**

**Community Services Block Grant (CSBG)**

**Objective:** Provide for the allocation and distribution of federal CSBG funds to a network of non-profit and local governmental organizations in California, comprised of CSBG agencies, migrant and seasonal farm worker agencies, limited purpose agencies, and American Indian agencies, which provide a broad range of services and activities to help reduce poverty in California communities. Examples of CSBG services include food and nutrition assistance, job training, employment, education, housing, and other emergency assistance.

**California Earned Income Tax Credit (CalEITC) Education and Outreach**

**Objective:** Grantees use funding provided through an interagency agreement with the Franchise Tax Board to deliver CalEITC Education and Outreach activities designed to increase awareness of both the federal and state tax credits and provide free tax preparation assistance. CalEITC, the Young Child Tax Credit, and the federal EITC can combine to put hundreds or even thousands of extra dollars in the pockets of eligible low- to moderate-income Californians.

**Low Income Home Energy Assistance Program (LIHEAP)**

**Objective:** Provide for the allocation and distribution of federal LIHEAP grant funds to a network of non-profit and local governmental organizations to support the local administration of LIHEAP services. LIHEAP provides a range of services designed to assist eligible low-income households in meeting their immediate home heating and/or cooling needs, including: utility assistance to offset residential energy costs, weatherization services to improve the energy efficiency of low-income dwellings, and services to assist low-income households cope with energy-related emergencies.

**Weatherization Assistance Program (WAP)**

**Objective:** Provide for the allocation and distribution of federal WAP funds to a network of non-profit and local governmental organizations to support the local administration of WAP services. WAP provides eligible households with services designed to improve the energy efficiency of their home, reducing energy usage/costs, while safeguarding the health and safety of the household.

**Low-Income Weatherization Program (LIWP)**

**Objective:** Provide for the allocation and distribution of state LIWP funds to promote greenhouse gas emission reductions for single-family farmworker households and multi-family affordable housing by improving the energy efficiency performance of low-income residential housing. The program scope includes the installation of solar photovoltaic systems, electrification, and energy efficiency measures. In addition, the program provides co-benefits

to the state, such as reducing air pollution, improving public health, reducing energy costs, and promoting economic stimulation and job creation.

## **Control Environment**

CSD's organizational structure consists of a Director who reports to the Secretary of the California Health and Human Services Agency (CalHHS) . The Director meets regularly with CalHHS staff to provide periodic updates on critical Departmental activities. The Director is supported by an Executive Team at CSD consisting of the Chief Deputy Director, Chief Counsel, Deputy Director of Administrative Services Division, Deputy Director of Program Services Division, and the Deputy Director of Legislative & Public Affairs. Given that CSD is a small state agency, only 128 staff total, the Executive Team is responsible for providing organizational leadership, oversight and formulating policy decisions for the programs operated by the Department. The Executive Team meets weekly to discuss cross-cutting programmatic issues and ensure consistency in policy decisions that could affect program operations at the local level while ensuring compliance with federal and state rules and regulations for the state and federal grant programs administered by CSD. CSD recently updated its Strategic Plan in 2024. The following updated core values in our Strategic Plan guide our work:

- **Compassion:** We serve our customers, partners, and each other through person-centered work guided by empathy, dignity, and respect.
- **Equity:** We recognize the diverse experiences of those we serve and of each other. We embed equity and inclusion into our policies, practices, and organization and strive to ensure that our programs lift up the most disadvantaged members of our society.
- **Excellence:** We deliver meaningful and measurable improvements to the lives of the Californians we serve. We continuously embrace new challenges by problem-solving as a team and with our partners to improve the effectiveness and efficiency of our organization and our programs.
- **Teamwork:** We work towards a shared vision by collaborating with a diverse network of internal and external partners. As an organization, we celebrate our successes and learn from our mistakes. We challenge and support each other by being open-minded critical thinkers and problem-solvers.
- **Integrity:** We hold ourselves accountable as individuals and as an organization. We consistently meet our commitments, communicate clearly, and act transparently to maintain the trust of the public and our partners.

CSD completed its Workforce Development and Succession Plans in 2024. The completion of the Strategic Plan and the Workforce Development and Succession Plans will enable CSD to maintain a knowledgeable and committed workforce of skilled professionals capable of ensuring the successful administration of departmental programs serving low-income

Californians and the communities in which they reside. CSD is positioned to operate with a knowledgeable, committed workforce of skilled professionals to help reduce poverty for Californians by leading the development and coordination of effective and innovative programs for low-income individuals, families, and their communities. Continued annual appraisals and Individual Development Plans further our commitment to the growth of our employees by setting measurable goals, supporting the development of employee training plans, and celebrating employee performance achievements. Since October 2019, CSD's Human Resources has led a concerted effort to improve hiring and onboarding policies and procedures and strengthen human resource management by convening regular meetings with department managers/ supervisors. CSD plans to also implement a New Employee Orientation training as a subcomponent of our new Workforce Development Plan.

## **Information and Communication**

### **Internal Communication**

In addition to the weekly Executive Staff meetings, CSD also holds monthly meetings with all members of the Department's Senior management team. These monthly meetings provide the opportunity for the management team to share issues, concerns, and improve communication of important issues and promote work coordination between internal divisions. CSD also holds quarterly All Staff Meetings to ensure staff have the opportunity to hear directly from Departmental leadership and provides staff with a forum to ask questions or raise concerns for discussion. Staff are also encouraged to utilize a Departmental Suggestion Box for those who wish to raise any issues or concerns anonymously. CSD also produces a quarterly newsletter that highlights many of the Department's accomplishments and includes a Director's message to staff.

### **External Communication**

CSD meets regularly with its stakeholders and network of non-profits and local government agencies that administer its programs. For core federal programs, CSD has created advisory bodies made up of select Executive Directors from LSP Agencies that meet regularly to discuss all matters pertaining to program policy, planning and implementation issues related to community services and low-income energy programs administered by CSD. Lastly, all federal energy and community services grant programs require a state plan be submitted to the federal government detailing the state's plans for administering grant funds and acceptance of applicable grant terms and conditions. As part of the development of the state plan, CSD holds a formal public hearing that allows interested stakeholders the opportunity to provide input into the programmatic design and administration of these federal programs within the state.

## **MONITORING**

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The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Department of Community Services and Development monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Megan Rivers, Administrative Division Deputy Director; Jason Wimbley, Director.

### **Ongoing Monitoring**

Through our ongoing monitoring processes, CSD reviews, evaluates, and makes continuous improvements to systems of internal controls and monitoring processes. As such, we have determined we comply with California Government Code sections 13400-13407.

### **Frequency of Monitoring Activities**

CSD holds quarterly management meetings. The meeting topics include discussion of current and potential internal control issues that need to be addressed. These meetings allow management to discuss issues they have been made aware of and what steps are needed to mitigate. The management team is encouraged to share experiences to further assist each other in addressing the issues that may arise.

### **Reporting and Documenting Monitoring Activities**

CSD requires reports from each unit on a quarterly basis. These reports inform management of the monitoring practices being conducted, improvements needed, and the overall monitoring success or weakness within each unit. This information is summarized and reported to the CSD executive team and Director. CSD ensures all staff receive information vital to the effectiveness and efficiency of controls by requiring management to update their teams quarterly. CSD encourages staff to speak with their supervisor if they discover an issue that should be addressed to better assist CSD with fulfilling its mission, goals, and objectives. Procedure for Addressing Identified Internal Control Deficiencies Management holds quarterly meetings to review any deficiencies noted in either the quarterly reports or deficiencies that have been recently identified. CSD has an internal committee that designs and tests the control procedures that have been developed and implemented. The internal committee conducts separate evaluations on any deficiency noted. The internal committee reports to the CSD executive team and Director.

## **RISK ASSESSMENT PROCESS**

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The following personnel were involved in the Department of Community Services and Development 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, and other/prior risk assessments.

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

Executive management and the audit staff coordinated the organization-wide risk assessment. It was performed through brainstorming meetings with the following CSD branches: Administrative, Energy and Environmental, Community Services, and Executive. The risk assessment meetings were conducted to identify the areas of greatest risk that may cause financial, political, legal and/or negative media exposure to CSD. During the risk assessment meetings, each branch's potential risks were identified and discussed. These identified risks were then ranked on the likelihood of occurrence and potential impact to CSD.

## **RISKS AND CONTROLS**

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### **Risk: Antiquated CSD Legacy Information Technology Systems**

CSD has been working to update a series of legacy information technology systems to ensure they are in compliance with state and federal requirements. In addition, updating these systems allows CSD to modify and develop them as necessary and maintain up to security controls and protect against cybersecurity threats. Over the last three years, CSD has been successful in migrating all its systems to a Microsoft private cloud (AVS) as opposed to on premise servers. However, remaining in AVS now poses increasing financial and operational risks. In addition, AVS limits integration with Azure Native security and monitoring tools creating gaps in compliance and threat protection. Migrating to Azure Native mitigates these risks by reducing costs and strengthening security through full integration with Azure's cloud ecosystem.

### **Control: Modernization Efforts**

CSD is prioritizing the completion of these modernization efforts with the plan for the majority of its AVS systems to move to Azure Native in early 2027.

## **Risk: Succession Planning**

While developing the CSD Workforce and Succession Plan, executive staff identified a lack of bench strength due to limited staffing in key roles as a workforce risk at several levels within the organization. Throughout the organization there are several program experts with specialized leadership skillsets and subject matter experts within their business unit or division. If they separate from CSD, either temporarily or permanently, historic institutional knowledge will be lost without a knowledge transfer plan increasing the potential for business disruption, leadership gaps, and reduced productivity.

### **Control: Leadership Development Plan**

CSD will create and implement a Leadership Development Plan to prepare leaders for handling leadership responsibilities. The Leadership Development Plan will be a program that supports CSD's succession planning efforts. The Leadership Development Plan will also offer current CSD staff an avenue to develop leadership skills to equip them to take on leadership roles within the department. By operationalizing processes to assess, identify, develop, source, and deploy management and leadership resources, the Leadership Development Plan will help employees apply new skills to their day-to-day work. To effectively meet CSD's strategic goals, the Leadership Development Plan ensures that we have the right talent with the right skills at the right time.

CSD Executive and Senior Staff are the positions identified as the most critical in supporting CSD's Director and Chief Deputy Director. As a result, CSD will address

the organizational levels of its Executive support staff for the first phase of leadership development, which includes approximately 31 positions.

Components of the Leadership Development Plan may include but are not limited to the following activities:

- Formal education and training (e.g., CalHR California Leadership Academy, CalHHS Leadership Development Program).
- Assessments (e.g., 360 assessments, Myers-Briggs Type Indicator (MBTI); Dominance, Influence, Steadiness, Conscientiousness (DISC) Profile; Leadership Practices Inventory (LPI), etc.).
- Formal mentoring or coaching.
- Professional development resources (e.g., books, Skillsoft, videos, etc.).
- On-the-Job training.

## CONCLUSION

The Department of Community Services and Development 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.



**Jason Wimbley, Director**

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