

December 03, 2021

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

Dear Director Keely Martin Bosler,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California Gambling Control Commission submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Fred Castano, Public Relations Officer, at (916) 263-1522, fcastano@cgcc.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Commission's mission is "We are committed to protecting the public by ensuring integrity and justice in the controlled gambling industry through effective regulations and fair application of the law."

Our vision statement is "To advance California as a national leader in gambling regulation while achieving strong public trust."

Our Strategic Goals are:

- Foster Excellent Stakeholder Relationships
- Maintain Fiscal Integrity
- Cultivate a Culture of Excellence
- Promote a Culture of Growth and Learning

The Commission's current Strategic Plan runs through 2023.

Control Environment

Oversight

The Commission's Executive Director, Stacey Luna Baxter, is responsible for the overall establishment and maintenance of the internal control and monitoring systems. The Commission's Deputy Directors facilitate and verify that the Commission's internal control practices are implemented and functioning as intended.

The Commission's Leadership Staff (Executive Director, Deputy Directors, Public Relations Officer, and Managers) meet monthly, and have a standing agenda item to discuss the SLAA report, progress on items identified within the report, as well as the discussion of any newly identified risks and the status of mitigation efforts taken. This ensures continued oversight and implementation of actions necessary

to address all areas addressed within the SLAA report.

Integrity and Ethical Values

One of the Core Values that the Commission identified in the 2017-2019 Strategic Plan is integrity, and we continue to emphasize that Core Value of integrity in the 2020-2023 Strategic Plan.

To the Commission, integrity is behaving in a fair, ethical, and principled manner. We exhibit these behaviors through:

- Conducting our work objectively.
- Treating everyone with dignity, respect, and professionalism in carrying out our duties.
- Adhering to all laws.
- Doing the right things for the right reasons.

The Commission also ensures that each employee completes the Department of Justice's Ethics Training for State Officials course every two years, which is mandated by Government Code section 11146.

In addition, the Commission ensures that each employee has read, reviewed, and agreed to its Incompatible Activities Statement, which is issued to ensure Commission staff are aware of the legal prohibitions against incompatible activities and do not willfully engage in any employment or activity that is illegal, that has or gives the appearance of being incompatible or in conflict with their duties as state employees, that discredit the Commission or the State, or that has an adverse effect on the confidence of the public in the integrity of government. All Commission members and staff are required to conduct this review and confirm their understanding annually.

Responsibility, Authority, and Documentation

A goal identified in the Commission's 2020-2023 Strategic Plan is to Cultivate a Culture of Excellence. To reach this goal, the Commission implemented and continues the following measures:

- Ensure the Commission's policies and procedures are complete and up-to-date. Each division is required to submit documentation showing that procedures have been reviewed and updated on a quarterly basis.
- Perform quarterly reviews of employee workload tracking data to ensure efficient procedures and optimal use of resources.
- Ensure that the Commission is up-to-date on all Staff Policy Acknowledgments.

In addition to reviewing and updating all current policies and procedures, the Commission monitors the need for new policies and procedures on an ongoing basis, to ensure that for each of the Commission's functions, there is clear and updated documentation of responsibilities.

Competent Workforce

Another completed goal identified in the Commission's 2020-2023 Strategic Plan is to Promote a Culture of Growth and Learning, which focused on ensuring the Commission's staff is made up of talented, skilled, well-rounded individuals. To reach this goal, the Commission implemented the following projects:

1. Create and develop an onboarding process to ensure a solid understanding of the Commission's roles and responsibilities.
2. Develop a quarterly Employee Development Plan (EDP) staff development course to ensure the continuance of the EDP and continue to develop Commission staff.
3. Develop wellness-focused EDP courses to ensure wellness in the workplace is a focus in the EDP.
4. Develop industry-focused EDP courses to ensure Commission staff are further trained on industry-focused topics.

In addition, the Commission is continuing the following measures:

- Encourages each employee to attend at least one training per year to increase their knowledge base. This excludes mandated training.
- Provides a quarterly information-sharing meeting for all staff. At these meetings, each division provides an update on what they are working on, why they're doing it, and what it means for the Commission's operation as a whole.
- Monthly emails from the Executive Director to all staff, with updates and important information about the Commission.
- Monthly meetings of the leadership team to go over important topics that affect the Commission and its employees.
- Access to institutional information, which includes presentations, reports, articles, or other media. These are stored on shared drives accessible to staff, and on the Commission's intranet library.
- Development of the Commission's Education page on the website, which has informational videos on the Commission's roles and responsibilities, and can be viewed in over 100 languages.

Performance Evaluation and Accountability

In developing the Strategic Plan for 2020-2023, the Commission identified Accountability as one of our Core Values. We define accountability as taking responsibility in all that we do and holding others responsible for their actions. We exhibit these behaviors by:

- Recognizing our mistakes and learning from them.
- Taking ownership of our work products and outcomes.
- Holding individuals we regulate responsible for their actions.
- Expeditiously acting to correct errors or shortcomings to the greatest extent possible.

We also identified Transparency as a Core Value for the 2020-2023 Strategic Plan. Transparency is key to Accountability. By conducting our business in a manner that promotes meaningful stakeholder participation and provides responsible public access to information, we allow our stakeholders to hold us accountable. We practice Transparency by:

- Promoting the sharing of information and providing the opportunity for feedback.
- Providing useful license history and other valuable information.
- Providing optimal public access to information through livestream, resources on our website, and other media.
- Responding to stakeholders with relevant and timely information, while adhering to

confidentiality laws.

Management performs annual performance reviews of their staff members, and gives them the opportunity to discuss the evaluation with their supervisor. Management also encourages staff to complete Individual Development Plans (IDP), and commits to helping staff achieve their goals identified in the IDP.

The Commission also updated its Workplace Guidelines and Expectations, which guides Commission personnel on how to conduct themselves in the workplace and to ensure consistency throughout the Commission's various programs.

The Commission regularly reviews its policies and procedures to ensure accountability for each of the Commission's functions, as well as to ensure that the policies and procedures in place continue to be the most effective and efficient.

Information and Communication

Internal Communication

All staff is encouraged to immediately report any areas of concern or potential risk to their manager. In addition, managers hold staff meetings at least monthly, which allows for a formal setting for staff to provide notification of potential risks and to discuss ideas for improvement of operations.

Managers are to immediately notify their Deputy Directors of areas of concern once they are identified.

The Commission's Leadership Staff (Executive Director, Deputy Directors, Public Relations Officer, and managers) meet monthly, and have a standing agenda item to discuss the SLAA report, progress on items identified within the report, as well as the discussion of any newly-identified risks and the status of mitigation efforts taken.

Deputy Directors provide any new areas of concern provided by staff, propose corrective action measures to address the concerns, and/or provide updates regarding current mitigation efforts on a monthly basis.

Roles and responsibilities for addressing any necessary or beneficial tasks or internal controls are identified and discussed during our monthly leadership meetings. The Public Relations Officer maintains a listing of all risks identified and the corresponding mitigation efforts, via the Implementation Plan.

In addition, the Commission holds all-staff meetings on a quarterly basis, at which the SLAA report is discussed, staff is given an opportunity to identify new risks, and status updates are given on mitigation efforts of existing identified risks.

When mitigation efforts are required, the Commission may do any combination of the following:

- Assign roles and responsibilities to mitigate the risk(s) identified
- Meet monthly until risk(s) are resolved
- Distribute an all-staff email
- Provide training
- Create/update official policies and procedures.

Any change to official policies and procedures are emailed to all staff, posted to the intranet for staff to view at any time, and are reviewed annually to ensure accuracy and efficiency.

External Communications

One of the goals of the 2020-2023 Strategic Plan is to Foster Excellent Stakeholder Relationships. To reach this goal, the Commission identified the following objectives:

- Identify and implement opportunities for enhanced education that provide an understanding of the Commission's roles and responsibilities, disseminate information regarding the licensing and adjudicatory process, and promote a culture of compliance within the industry.
- Create and promote new outreach opportunities to increase stakeholder engagement.
- Ensure each applicant receives excellent customer service.

To complete these objectives, the Commission initiated the following projects:

- Publish educational newsletters to provide helpful information regarding licensing and disciplinary matters to stakeholders. These newsletters are published quarterly.
- Develop educational mediums to enhance stakeholder education and promote a culture of compliance.
- Develop a stakeholder spot survey to collectively improve our services, policies and procedures, and regulations.
- Create a formalized Outreach Program to establish and strengthen relationships with stakeholders through direct communication.

The Commission often sends correspondence to our stakeholders to update them on important information relevant to the industry. Topics include information about new or proposed regulations, new laws, Executive Orders, and other relevant updates. In addition, the Commission established a dedicated page on its website that hosts all COVID-19 information relevant to the Commission and its stakeholders.

The Commission also launched a new Education page on its website to host various industry-related educational materials. Headlining this launch is a series of videos produced by the Commission about the following topics:

- Licensing Overhaul General Overview
- Criminal Convictions Background Overview
- Understanding the Application and Background Process
- Designated Agent Requirements
- Regulations Changes: Third-Party Provider of Proposition Player Services Registration to Licensing

In addition, there's a tutorial on how to watch our videos in over 100 languages.

These videos are the first phase of educational videos that the Commission plans to roll out in the future.

The Education page also hosts the Commission's brochures about Key Employee responsibilities and tips for filling out license applications. The page also links to important information found elsewhere on

our website, such as the newsletter archive, notices from the Commission to the industry, COVID-19 information, and regulations.

The Commission also has a policy and procedure for communicating with the public and the press. The Public Relations Officer is the primary contact for the media, and works within that policy and procedure to disseminate accurate information to the media, as well as to the general public.

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 Gambling Control Commission monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:

Fred Castano, Public Relations Officer; Jason Pope, Chief Counsel;
Stacey Luna Baxter, Executive Director; Alana Carter, Deputy Director of Administration;
Adrianna Alcalá-Beshara, Deputy Director of Legislative and Regulatory Affairs;
Jacob Muscan, Chief Information Officer; Quinn Hedges, Licensing Division Supervisor; and
Dolores Olivarez, Deputy Director of Licensing Division.

To ensure its mission, vision, and goals are being achieved, the Commission uses the following tools:

- Continuous tracking of key performance indicators (KPI) that set specific target ranges and measure progress of specific objectives, including the status of associated KPI projects;
- Surveys are used to gather feedback from internal and/or external stakeholders and to measure the success in meeting various objectives. If additional work is needed to achieve the targeted range of success desired, a review is completed to see what additional steps can be taken to achieve the end goal;
- Monthly leadership meetings at which the progress of the various KPI are discussed and reported to hold ourselves accountable. In addition, a standing agenda item is included at the monthly meetings to discuss and/or identify action needed on any newly identified risks;
- Quarterly all-staff meetings at which a report of the KPI progress is provided. These quarterly all-staff meetings also include the ability for staff to identify and discuss any potential agency risks;
- Collaborative effort and/or review are provided from all Commission staff on significant projects. In some cases, this is done simply to capture viewpoints that may not have otherwise been discovered, or an "outside" perspective from those that may not be directly involved with the day-to-day activities of the project; and
- Dissemination of information to ensure all appropriate staff is kept informed of any areas of concern, updates on projects and/or changes within the Commission.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Gambling Control Commission 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, 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.

The Commission has a risk assessment process in place and has utilized that process to continually check in with staff regarding any concerns and/or risks. Management discusses the SLAA Report, Implementation Plans, Strategic Plan, our progress, and additional risks at monthly leadership meetings.

Staff is encouraged to participate in ongoing monitoring and to speak with their supervisors. At quarterly all-staff meetings, management encourages partnership and participation and provides an informal setting for staff to raise any concerns. In addition, each division head meets with their staff at least monthly, which creates another opportunity for staff to share potential risks.

The Commission completed its Strategic Plan for 2020-2023 while still committing to the goals it set in its 2017-2019 Strategic Plan, and is working on the numerous projects identified in the Strategic Plan that will help the Commission reach its goals. The project teams meet regularly, and these meetings provide another opportunity for the discussion of risks and necessary mitigation efforts.

RISKS AND CONTROLS

Risk: Insufficient Auditing Staff

In 2018, the California State Auditor (CSA) recommended the Commission address the following items:

- Conduct cost analyses, and use that information to update their regulatory fees to reflect their actual costs.
- Improve its policies and procedures.
- Improve how it utilizes its resources.

The Commission recently finished the cost analyses, and implemented new regulations to address the fee study's findings. The Commission also initiated an ongoing project of reviewing and updating all of its policies and procedures, which number roughly 300. In addition, the Commission developed a policy for maintaining and reviewing its workload tracking database on a monthly basis, in addition to a biannual internal audit, which gives the Commission statistical data on the diverse array of work it does, and the work hours dedicated to performing those tasks.

A significant amount of Commission resources went into addressing the CSA's recommendations, which resulted in delayed work, a shift in priorities from equally important workload, and excess working hours for certain staff. The projects that address those recommendations continue to demand Commission resources, such as the workload reviews and audits, policy and procedure reviews, a yearly cost workload analysis, and a biennial fee structure analysis.

On June 30, 2021, the Joint Legislative Audit Committee approved another audit request with the primary focus on the Commission, as well as other shared fund users that receive Special Distribution Fund (SDF) monies, use SDF funds, and the policies and procedures related to SDF workload.

This second audit is certain to again strain the Commission's resources, especially considering the considerable resources being committed to addressing the first audit's concerns, not to mention the

resources required for the Commission's everyday duties. The Commission's workload is certain to increase as a result of working with the CSA and addressing its concerns for the second audit. With limited human resources to address the increased workload, the Commission risks an overworked workforce, missed deadlines, lowered morale, and a decrease in quality of work in order to make up for the quantity.

If the Commission cannot effectively function due to lack of resources, we jeopardize the public's trust that gaming in California is being conducted safely, fairly, and with integrity.

Control: Staff Management Auditor

The Commission submitted a Budget Change Proposal (BCP) to the Department of Finance, proposing to hire a Staff Management Auditor. Through this position, the Commission will be able to timely and effectively implement the necessary operational efficiencies and maintain consistent annual review of the licensing cost workload and biennial fee analyses, and any other relevant auditing tasks that may arise.

Risk: Licensing Division Management Structure

The Staff Services Manager (SSM) I and Deputy Director share oversight, review, and approval of all work products produced by Licensing Division staff. As such, fundamental steps within the organizational structure are removed and/or limited. For example, the SSM I and Deputy Director split report responsibility led by the AGPA's, completely removing the SSM I, and at times, limiting the Deputy Director from critical program knowledge, first line review, and direct supervisory and non-supervisory support.

Due to the significant workload and lack of sufficient management staffing, the following essential areas receive insufficient attention: program oversight, performance management, supervisory, staff mentoring, quality assurance, timely and thorough review and analyses of legislation and regulatory proposals, efficient decision-making processes, and strategic thinking and division planning.

Additionally, as the Deputy Director is expected to take on routine day-to-day tasks, it severely limits the ability to provide executive oversight, focus on emerging trends, plan for upcoming issues, and lead policy-related tasks.

Further, the Licensing Division's inadequate structure has resulted in unintended silos, limiting in-depth reviews, impacting operational efficiencies, and shifting supervisory responsibility to crisis management-mode to stay afloat with existing workload demands.

There is limited opportunity for the SSM I to assume higher-level assignments, receive and provide training, provide mentorship, guidance, direction, and foster a culture with positive morale, and a healthy work-life balance.

Control: Additional SSM I Position

Acquiring an additional SSM I position supports a balanced organizational structure within the Licensing Division. In addition, the proposed two-SSM I structure allows for a composed and calculated approach to day-to-day operations, strategic thinking and decision-making. Further, SSM I relief will allow for increased focus on program oversight, performance management and

delegation. The SSM I's will be afforded added bandwidth to invest in policy decisions, assume high-level assignments, invest in professional development while fostering the growth of staff, and getting more involved in management-related functions.

If approved, the SSM I's will assume oversight and management of the Licensing Division's daily operations, including the day-to-day supervision of professional staff, and reviewing all associated workload prior to submission to the Deputy Director. In addition, the SSM I's will be responsible for prioritizing personnel, management analysis, budgets, policy reviews, leading ad hoc requests, and fully operate in accordance with a small-to-moderate-sized department and SSM I classification specifications.

Risk: Ex Parte Communications

Administrative Procedures Act (APA) and Gambling Control Act (GCA) evidentiary hearings necessitate segregation of functions between Advocates, Applicants, and Advisors,

In 2021, the Commission hired a new staff attorney in its Legal Division. The attorney previously worked for the Indian and Gaming Law Section of the Attorney General's Office in the Department of Justice, which represented the Bureau of Gambling Control as an advocate before the Commission.

As an advocate, the attorney cannot have any ex parte communications with the Commissioners or its advisors. Ex parte communications are those where the other party, in this case the Applicant, does not have notice regarding, and cannot participate in, the communications. Now that the attorney has left their work as an advocate and is now ostensibly an advisor for the Commission, communication in an ex parte fashion would be a violation, or perceived as a violation, where it involved a matter the attorney previously worked on as an advocate

Violating the APA or GCA would negatively impact the Commission's decision making process and subject the Commission to litigation and negative industry perception. This impact could result in the expenditure of personnel time to address shortfalls in decision-making, curing ex parte communications, as well as capital through costly litigation.

Additionally, this would potentially conflict with the Commission's mission in making fair decisions and encouraging transparency in the gambling industry. It would also negatively impact the vision of ensuring integrity and public trust.

Control: Ethical Wall

The Commission implemented an Ethical Wall, identifying the items the attorney cannot work on, while ensuring the attorney is only assigned to non-walled off matters.

The Legal Division periodically verifies that screened matters are not handled by the attorney, and ensures and verifies that walled-off matters are located in electronic folders that are not accessible by the attorney.

Risk: Insufficient Legislative/Regulatory Staff

The Commission's Legislative and Regulatory Affairs Division (Division) conducts the necessary staff work to create and maintain the regulatory framework for the Commission. With the adoption of the

Gambling Control Act, the Commission has diligently worked to create and support the regulatory framework required by the Legislature. In FY 2007-08, the Commission established an independent regulatory team of three staff members. In recent years, the Commission has averaged the adoption of four regulatory projects per fiscal year.

This represents a great amount of work as the regulatory process, from concept through formal rulemaking process, can take from months to years. However, the Commission has been provided a required regulatory list of over 20 categories of regulation topics (with some topics requiring multiple projects to implement), and the Commission has not yet completed all minimum topics.

The Commission also anticipates an additional seven regulatory packages that will be necessary to carry out the provisions of the Gambling Control Act.

In addition, the Division anticipates having a new annual regulation package which will analyze and possibly adjust the Commission's fee structure.

The Division is also responsible for the drafting of legislative proposals for consideration by the Governor's administration, and when approved, the outreach to various members of the legislature to secure sponsorship and handling.

Other Division responsibilities include monitoring bills applicable to the Commission's work, including Tribal-state gaming compacts, and advising the Governor's Office through bill analyses and enrolled bill reports. The Division is responsible for providing technical assistance to the Legislature as well as members of the Commission and executive management.

In recent years, the Commission has received a series of new requests requiring legislative or regulatory action. These requests, in addition to the existing requirements for which the Commission has a statutory responsibility, have resulted in a longer wait time for the promulgation of regulations. An example of this is the recent emergency regulations packages attributable to the COVID-19 pandemic and necessary conforming re-adoptions, which required the delay of work on most other regulatory priorities.

Not having adequate staffing to address the needs of the state agency places public health, safety, and welfare at risk by not ensuring regulations are promulgated timely.

Control: Additional Legislative/Regulatory Staff

By hiring an additional Legislative/Regulatory Analyst:

- The Commission will be able to timely and effectively maintain statutory requirements for rulemaking and public engagement in potential rulemaking concepts and activities.
- The Commission will be able to address critical areas as outlined in statute which require regulations that have not yet been promulgated.
- Allows for higher volume of workload to be processed, quicker response times for emerging industry regulatory needs, and greater detailed research on critical issues within the controlled gambling industry concerning proposed and existing regulations and statutes.
- Increases public trust and confidence, which can only be maintained by strict and comprehensive regulation of all persons, locations, practices, associations, and activities

related to the operation of lawful gambling establishments and the manufacture and distribution of permissible gambling equipment.

The Commission is in the process of submitting a Budget Change Proposal for the position.

Risk: Leave Balances

The Commission's Administration Division has identified employees who were not in compliance with the California Department of Human Resources (CalHR) Leave Reduction Program. CalHR requires all state employers and employees to make every effort to adhere to a maximum cap of annual leave/vacation hours in accordance with Memorandums of Understanding and California Code of Regulations. The maximum cap of annual leave/vacation hours for all CGCC employees is 640 hours.

California state employees who have accumulated significant leave hours create an unfunded liability for the State and individual department budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.

The employees who were identified have since submitted Leave Reduction Plans. However, risk still exists because even though plans have been submitted and staff has made good-faith efforts to follow their plans, there are still staff members over the 640-hour threshold. It is difficult for certain staff members to substantially reduce their leave balances due to the specialization of their work, such as information technology and human resources.

Control: CGCC Leave Reduction Policy

Employee Responsibilities

- Monitor your vacation/annual leave balances for excess time on a regular basis
- Use excess time in the pay period accrued, when possible
- For leave balances over 640 hours, complete CalHR's Leave Reduction Plan form annually and submit to supervisor for approval in December of each year

Supervisor Responsibility

- Monitor your employees' vacation/annual leave balances for excess time on a regular basis
- Encourage staff to use excess time in the pay period accrued, when possible
- Require the completion of CalHR's Leave Reduction Plan form annually for staff with excess leave balances by December 31 each year
- Review and approve submitted plans, after ensuring the plan will not impede workload requirements
- Encourage staff to use excess leave as planned on the submitted Leave Reduction Plan

Human Resources Responsibility

- Generate quarterly reports and provide them to managers/supervisors to monitor their staff's excess leave balance reduction
- Maintain record of all CalHR 138 forms and file appropriately in employee Official

Personnel Files

Control: Cross Training

One of the employees who has a Leave Reduction Plan works in human resources. This is a specialized skill set, and there is not a backup person for this employee due to the Commission being such a small agency. As a result, this employee has difficulty in reducing their excess leave balance because there is no one who can complete their human resources duties during an absence. The Administration Division is currently cross-training a current employee who has prior human resources experience. By developing a human resources backup, the employee with the excess leave balance will be able to make greater progress towards reducing their leave balance.

Control: Information Technology Specialist

One of the employees who has a Leave Reduction Plan works in the Information Technology Unit. However, the Information Technology Unit is a small, specialized unit, is facing a complex and heavy workload, and is currently relying on Retired Annuitant positions to help supplement the unit. These factors make it challenging for the employee to take time off and reduce their leave balance.

The Commission has submitted a Budget Change Proposal for two Information Technology Specialist positions, which will lessen the workload as well as eliminate the reliance on Retired Annuitants. With the hiring of the additional Information Technology Specialists, the employee will be able to make progress on their Leave Reduction Plan.

Risk: Licensing Division - Workforce Planning

The Governor's Reorganization Plan in 2013 significantly reduced the Licensing Division's staffing levels. This led to an overhaul of the Division's policies and procedures, and remaining staff assumed a broad range of operational oversight and responsibility. This reorganization impacted the Division's overall continuity of business operations. Primarily, the Division's Associate Governmental Program Analysts (AGPA's) are unable to address areas such as program evaluation, planning, policy analysis and formulation. A factor contributing to this inadequacy is the high volume of administrative (non-analytical) workload that must be completed by the AGPA's. The non-analytical workload limits the AGPA's ability to perform critical analytical work on behalf of the Commission.

Control: Workload Assessments

Licensing Division management reassessed the Management Service Technician (MST) position during its vacancy period. During this time, the position was reclassified to an Office Technician (OT) position. An updated duty statement was developed to include additional tasks offsetting some of the existing administrative workload pressures from the AGPA's, but not all. Management continues to assess Division workload to identify opportunities for efficiency.

Management's assessment will evaluate operational inefficiencies and workflows within the Division, and implement improvements and re-evaluate their effectiveness and long-term sustainability.

CONCLUSION

The California Gambling Control Commission 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.

Stacey Luna Baxter, Executive Director

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