

December 09, 2025

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

Dear Secretary Nick Maduro,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Department of General Services 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 Andy Won, Chief Auditor, at (916) 376-5058, [Andy.Won@dgs.ca.gov](mailto:Andy.Won@dgs.ca.gov).

## **GOVERNANCE**

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### **Mission and Strategic Plan**

The Department of General Services (DGS) serves as business manager for the state of California, with approximately 4,571 employees and a budget of over \$1.472 billion. DGS helps California state government better serve the public by providing a variety of services to state agencies through innovative procurement and acquisition solutions; creative real estate management and design; environmentally friendly transportation; professional printing, design and web services; administrative hearings; legal services; building standards; oversight of structural safety, fire/life safety and accessibility for the design and construction of K-12 public schools and community colleges; funding for school construction; and disability access.

The California State Legislature created the DGS in 1963. California Government Code Section 14600 states that the Legislature intended to centralize business management functions and services into one entity that could:

- Take advantage of specialized techniques
- Provide uniform management practices
- Ensure a high level of efficiency and economy

## **MISSION**

DGS serves as the State's business manager. Our mission is to deliver results by providing timely, cost-effective services and products that support our customers, while protecting the interests of the state of California.

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## **VISION**

At DGS, our vision is: Excellence in the business of government. We strive to achieve excellence by providing our customers with the products and services they need in a professional, value-added way.

## **STRATEGIC DIRECTION**

DGS has established five strategic themes that guide the development of our strategic plan goals. The themes clarify the direction in which we want to move the organization. The strategic direction themes are:

1. Collaborative: We solicit input from our partners to collectively improve our outcomes.
2. Consultative: We offer counsel and advice so our customers can maximize benefit and mitigate risk.
3. Sustainable: We serve as good stewards of state resources and help “green” government.
4. Data-Informed: We use and share data to make better decisions for ourselves and our customers.
5. Effective: We continuously develop ourselves so we can better serve our customers.

## **STRATEGIC PLAN**

Since 2022, DGS transitioned to a two-year strategic planning cycle which has deepened the department's ability to think and act strategically to allow for more complex goals to be completed within the strategic plan timeline and cycle. This two-year cycle also enabled IT-dependent goals to be reviewed and approved accordingly, ensuring these goals have the support required. All goals are tracked, monitored, and reported internally and externally, with a report written on an annual basis to communicate progress.

## **DIVERSITY, EQUITY, AND INCLUSION**

DGS is committed to fostering an inclusive workplace culture that embraces and supports our diverse workforce, contractors, customers, and the community we serve. DGS acknowledges the role of diversity and inclusion in not only enhancing the morale and productivity of employees but also in boosting innovation, financial performance, and overall effectiveness of the organization. As a part of the diversity and inclusion efforts, DGS strives to recruit, train, engage, and retain a diverse pool of talent that will contribute to DGS' mission and vision. In 2023, DGS created the Enterprise Planning & InClusiveness Division to centralize efforts such as the Department's strategic plan, upward mobility program, organizational health, Equal

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Employment Opportunity, and oversight of the Department's Diversity, Equity, Inclusion, and Access (DEI&A) initiatives.

## **ORGANIZATIONAL STRUCTURE**

DGS includes the following organizations, listed below, which are all encompassed in this State Leadership Accountability Act Report.

**Administration Division** - provides services to internal and external clients. Support administrative services, including budget, accounting, contracts, procurement, and human resources; risk and insurance management expertise; information technology support; policy oversight; employee training services. The Administration Division houses the following offices:

- **Office of Human Resources** - provides services in the areas of recruitment, hiring, benefits, and pay transactions, and reasonable accommodation.
- **Office of Fiscal Services** - plans, coordinates, and directs all accounting, budgeting, and fiscal reporting activities.
- **Enterprise Technology Solutions** - provides technology services critical to DGS and customer operations. This includes systems and enterprise tools development; network connectivity; desktop support; information security and privacy; technology implementation and strategic planning; and compliance with state information technology policies.
- **Office of Risk and Insurance Management** - Provides a variety of risk management and insurance services to state and public entities with a primary objective of minimizing exposure to losses. ORIM oversees the equipment maintenance management program, government claims, and motor vehicle claims program.
- **Office of Business and Acquisition Services** - Provides DGS divisions and offices support in goods and services procurement; contract processing from solicitation to contract execution; and various business services, including CAL-Card administration, asset management, security, and document reproduction.

**Division of the State Architect** - provides design and construction oversight for K-12 schools and community colleges. It develops accessibility, structural safety, and historical building codes and standards utilized in various public and private buildings throughout California.

**Interagency Support Division** - provides a wide range of support services through several independent offices:

- **The Office of Fleet and Asset Management**, which oversees the state fleet, provides transportation services and manages state and federal surplus property.
- **The Office of Public-School Construction**, which serves as staff to the State Allocation Board, facilitates the processing of school district applications and makes funding

available to qualifying school districts.

- **The Office of State Publishing**, which provides printing and communication solutions.
- **The Building Standards Commission**, which reviews, approves, codifies, and publishes state building standards.
- **The California Commission on Disability Access** (acquired Fall 2017 and included in our overall risk approach since that time), which promotes disability access in California with the disability and business communities and all levels of government.

**Office of Administrative Hearings** - consists of two divisions and five regional offices statewide. The General Jurisdiction Division provides independent adjudicatory and alternative dispute resolutions services to more than 1,400 state, local, and county agencies, while the Special Education Division provides independent adjudicatory and mediation services throughout the state to school districts and parents of children with special needs.

**Office of Legislative Affairs** - serves as the single point of contact for all department legislative matters. Office of Legislative Affairs coordinates all legislative activities for DGS, from the development of bill analyses to representing the department at legislative hearings.

**Office of Legal Services** - provides leadership and guidance to state departments and agencies and to internal divisions and offices on the state's contracting and procurement laws and policies. This includes establishing the state's services contracting standards; providing contract pre-review and approval; and procurement training.

**Procurement Division** - oversees state procurement policies and provides purchasing services to help departments achieve their missions. The Procurement Division also houses the Office of Small Business and DVBE Services.

**Real Estate Services Division** - provides comprehensive real estate services to all state agencies.

**Facilities Management Division** - manages, maintains, and operates state buildings and grounds.

**Office of Sustainability** - develops and implements climate change mitigation and adaptation strategies and programs for state buildings.

**Office of Audit Services** - provides the director of DGS with an independent, objective assurance and consulting activity designed to improve DGS' operations and ensure the department's oversight responsibilities are carried out.

**Enterprise Planning and Inclusiveness Division** -

- **Office of Policy, Training, and Administrative Services** - administers the department's Form 700 Program, employee training, internal and external policy program, records management program, upward mobility program and statewide forms program. OTAS

also provides oversight of the department's Disability Advisory Committee (DAC) and the Diversity Equity Inclusion and Access Workgroup.

- **Office of Employee Relations** – oversees the DGS Labor Relations functions, performance management, and investigatory services related to administrative actions and anti-discrimination/sexual harassment prevention policies.

**Office of Public Affairs** - is responsible for news media relations, managing DGS social media channels, guidance on writing according to DGS style, providing photography resources and video production, and website management oversight.

## **Control Environment**

### **VALUES**

DGS has established a set of core values that provide an important foundation for how we conduct ourselves and our business. These values are:

- Integrity: We do the right things for the right reasons.
- Accountability: We hold ourselves and each other responsible for all that we do.
- Communication: We listen and share information openly, honestly, and respectfully with the goal of mutual understanding and transparency.
- Excellence: We strive for the best for each other and our customers.
- Innovation: We cultivate ideas and implement improvements throughout our organization.
- Teamwork: We value and respect our organizational diversity and work together to achieve great results.

## **LEADERSHIP**

As the head of DGS, Ana M. Lasso, Director, is responsible for the overall establishment and maintenance of the internal control and monitoring systems. DGS' management structure is comprised of three tiers:

- Executive management - director and two chief deputy directors
- Executive team - one director, two chief deputy directors, 13 deputy directors (which includes, Director, Office of Administrative Hearings)
- Leadership Team - includes the Executive Management, the Executive Team, and the Chief level C.E.A and exempt appointments within the department

The DGS organization structure is based on programs that deliver specified services to their customers. All levels of the management structure in each program area have a role in the risk assessment process, from risk identification and prioritization to monitoring and controlling

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activities. For example, the Procurement Division holds quarterly collaboration forums to share contract updates and gather feedback from other programs. Additionally, each DGS leader contributes to the other programs, and DGS overall, through bi-weekly executive team meetings and yearly leadership team retreats.

## **WORKFORCE**

DGS' Human Resources Governance Council (HR Governance Council) ensures all divisions and programs within DGS have input in department-wide human resources policy and planning. The HR Governance Council meets monthly and follows a structured agenda to obtain reviews and feedback on new policies and procedures, ensuring quality, consistency, and effective communication.

To enhance DGS' recruitment capabilities, the Office of Human Resources (OHR) Hiring Support Branch (HSB) implemented a new vision and recruitment strategy in 2023 to focus on DGS' hard-to-fill classifications and positions requiring specific backgrounds and skills. DGS' new strategic approach centers on creative sourcing avenues to find qualified candidates, help the workforce evolve, and set DGS apart as an employer of choice.

An annual departmental recruitment plan guides the operations based on the most critical recruitment needs of the department. The Recruitment and Exam Services Unit is comprised of journey-level analysts with professional recruiting backgrounds, and uses modern techniques and channels such as LinkedIn, Indeed, and specific sourcing avenues to reach qualified candidates in both the public and private sectors. DGS creates an annual exam plan each fiscal year based on needs identified by divisions. As part of DGS' strategic approach to recruitment, our workforce planning efforts provide demographic and historical vacancy data for DGS divisions and programs to identify areas of concern and enable proactive action for future succession planning.

As a department, DGS is committed to fostering an inclusive workplace culture and diverse workforce, and as a part of the DEI&A efforts, DGS strives to recruit a diverse pool of talent that will contribute to DGS' mission and vision. DEI&A is an intrinsic part of all recruitment strategies. The recruitment team seeks out opportunities for DEI&A through affinity groups, job sites like DiversityJobs.com, and career fairs, like the Department of Rehabilitation (DOR) career fair for persons with disabilities (PWD).

The Biennial Organizational Health Survey gleaned is used to direct conversations with staff and develop action plans that address the key issues raised. Staff input shows that many people feel this approach has been instrumental in improving staff opinions about many aspects of work at DGS. The survey data and anecdotal evidence show that the biennial survey and associated improvement actions have a positive impact on DGS' ability to retain staff. The Organizational Health Survey is now housed in the Enterprise Planning and

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Inclusiveness Division (EPIC), which was established in 2023. EPIC has oversight of administering the department's upward mobility program, ensuring the program is accessible to all DGS-eligible employees and promotes advancement opportunities for staff. Establishment of the EPIC division is representative of DGS' substantial commitment to organizational health, wellness, and culture through the lens of equity.

## **Information and Communication**

To achieve its objectives, DGS communicates frequently with its employees and external stakeholders regarding its monitoring roles, activities, and results.

### **INTERNAL COMMUNICATION**

- The director and chief deputy directors hold regular one-on-one meetings with each deputy director to ensure continued two-way conversations.
- Executive management holds meetings twice each month with the executive Agenda items include discussions of potential internal control issues that have been brought to executive management's attention and the mitigation steps needed to address them.
- The DGS leadership team meets yearly for the annual Leadership Team Retreat. Each year, the team comes together to discuss any internal control issues, strategic planning topics and discussions, and dynamic leadership approaches to effectively lead staff.
- DGS has three governance committees, attended by senior managers and leaders, to ensure that risks and issues are surfaced and understood across the enterprise, and that the enterprise perspective is communicated back to the programs that could be impacted.
- DGS surveys its customers and employees regularly to ensure it is delivering efficient and effective results and being more collaborative and consultative.
- DGS produces a bi-monthly news magazine-style show called Hello DGS. Hello, DGS is an opportunity for employees to hear straight from the director about important items and what's going on at the department.

### **EXTERNAL COMMUNICATION**

DGS has established external stakeholder groups to support clear two-way communication that provides external parties with important guidance and enables DGS to understand the needs of its customers. Stakeholder groups include:

- **General Services Workgroup (GSW):** A strategic advisory body of representatives from a wide cross-section of state departments, agencies, and DGS executives, chaired by DGS' director. The workgroup provides feedback on DGS policies and strategic goals before and upon their implementation; reviews and recommends changes to DGS policies,

procedures, and practices; and identifies key challenges or issues facing state departments with respect to DGS-related services or functions. The General Services Workgroup is a state mandated council established in accordance with California GC 14720.

- **Statewide Tenant Workgroup (STW):** A strategic advisory body comprised of representatives from a wide cross-section of state departments and agencies and DGS executives, chaired by the deputy director of DGS' Facilities Management Division (FMD). The workgroup provides consultative input on statewide priorities, policies, practices, and strategic goals related to the operation of facilities managed by DGS and provides a tenant perspective on operational aspects of DGS-managed facilities.
- **State Contracting Advisory Network (SCAN):** A quarterly meeting where DGS' Office of Legal Services provides information, training, and legal updates focused on non-IT service contracts to contract officers from state departments.
- **DGS Small Business Advisory Council (SBAC):** A quarterly forum for representatives of the California small business community to provide input on policies and the SBAC assists DGS with the development of solutions to the state's procurement and contracting concerns, helps communicate information regarding DGS projects and programs of interest to the small business community, and provides a forum for interactive discussions.
- **Purchasing Authority Roundtable (PART):** A consortium of appointed state purchasing authority contacts (aka PART members) that meet quarterly to promote open and transparent communication with the DGS Procurement Division (PD). The PART members cooperate and collaborate with PD to explore recommendations to streamline and improve procurement policies and processes, resulting in more effective and efficient purchasing authority program management.
- **Small Business/Disabled Veteran Business Enterprise (SB/DVBE) Advocate Steering Committee:** A quarterly meeting that brings together all the state's SB/DVBE advocates to facilitate training and information sharing regarding their roles and responsibilities.
- **Statewide Print Services Working Group:** A collaborative platform where all state printing operations and customers are represented and able to share knowledge and information, as well as raise issues or concerns related to printing operations. The Customer Working Group supports OSP's goal to make printing in the California state government more efficient, transparent, and cost-effective. The workgroup meets quarterly and is primarily attended by managers of departmental printing operations.
- **Control Agency Partnership Working Group (Travel):** A quarterly meeting of departments that manage the state's travel process (from booking to policy and billing, to expensing and reporting). The focus is on travel industry best practices and how to use them to the state's advantage. The state spends over \$200 million annually on travel-related services, and this work group helps the state receive the highest possible value at the lowest possible cost. Members include DGS, State Controller's Office, CalATERS, Department of

Finance, Fi\$Cal, and CalHR.

- **Partnership Advisory Group (PAG):** The PAG meets quarterly to facilitate open communication and enhance partnership opportunities between the State of California, the travel industry, and state travel program participants. The PAG brings together travel industry representatives and partners, state agencies, cities/counties, K-12 public schools, community colleges, and the CSUs.
- **Statewide Equipment Council (SEC):** A collaborative workgroup led by DGS' Office of Fleet and Asset Management (OFAM) that meets quarterly. Its purpose is to engage state fleet stakeholders in the development and implementation of statewide fleet policies/initiatives, communicate changes in fleet oversight processes, and share best practices in fleet management, coordinate supporting fleet-related services, and introduce new fleet-related technologies to fleet managers and coordinators. Participants include OFAM, department fleet managers/coordinators, the DGS Procurement Division, vendors, and other interested parties, such as representatives from local utilities and the DGS Office of Sustainability.
- **Sustainability Task Force:** An oversight and implementation group of representatives from over 35 state agencies, as well as utilities, who meet monthly to oversee, implement, and report on state sustainability. Focuses include reducing energy and water use, greenhouse gas emissions, green transportation and operations, and environmentally preferable. The formation of this group was called for in EO B-18-12 and the Green Building Action Plan. Meetings are led by the DGS Office of Sustainability.
- **Intellectual Property (IP) Advisory Group:** An advisory group that assists the state in managing and protecting its IP resources and provides input on how DGS's IP Program can better serve other state agencies. The IP Advisory Group meets as needed.

## **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 General Services monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Jason Kenney, Chief Deputy Director; Elizabeth Williamson, Chief Deputy Director; and Ana Lasso, Director.

## **PROCESS**

Through our ongoing monitoring processes, DGS reviews, evaluates, and improves our organization's internal controls and monitoring processes. The department has formalized and

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continues to refine and document our ongoing monitoring. As such, we fully comply with California Government Code sections 13400-13407.

As part of our department-wide ongoing monitoring process, each year since 2016, DGS has executed annual strategic plans that identify specific, measurable strategic goals within 19 program areas organized around 5 themes: Collaborative, Consultative, Sustainable, Data-Informed, and Effective.

Since 2021, DGS has begun a two-year strategic planning cycle with these 5 themes present to guide goal development. These goals represent the highest priorities for DGS to address operational and strategic needs. As part of the strategic plan, DGS implemented a robust monitoring program to track and publish progress. Each program documents its goals in the form of action steps that outlines the major milestones and target dates for completion. Each program has a designated liaison who provides updates to the division of Enterprise Planning and Inclusiveness (EPIC). In the event of delays, reasons for delays and revised completion targets are documented. EPIC compiles and posts the status of all goals and provides quarterly status updates to the Executive Leadership team on progress toward the goals. The program executive staff are directly responsible and accountable for the completion of strategic goals and the communication of progress. In December of 2025, the current two-year strategic planning cycle will conclude. The EPIC Division will revise the current strategic planning process to improve efficiency and accountability on strategic planning goals, which will be applied in the launch of the 2026-27 cycle.

## **ADDRESSING VULNERABILITIES**

Along with our strategic planning process, our department also identifies risk by having bi-weekly meetings with the Budgets and Planning Section to discuss budget-related topics and track ongoing program expenditures. Additionally, program deputies, in their regular meetings with the director and/or chief deputy director, discuss priorities, needs, and proposed future direction as part of developing their goals. DGS' strategic planning process ensures that the highest priorities for the department are addressed, measured, and monitored at the program level using a centralized reporting system.

## **RESULTS**

DGS' risk management approach has proven successful. For example, in the 2023 SLAA report DGS identified cybersecurity as a significant risk. DGS recognized the importance of the security of its information systems and the information it owns or has in its custody. DGS recognized this risk could result in any of the following:

- Loss of employee access to data
- Impeding DGS' ability to deliver services

- Exposure of sensitive information and the associated liability

DGS has taken actions to enhance its security posture and effectively respond to cybersecurity risks. DGS has hired talented resources and implemented new tools and procedures to carry out essential security functions and align with the Governor's strategic multi-year information security maturity roadmap, CAL-SECURE. With DGS adoption of hybrid telework, as well as its rapid adoption to the cloud, DGS has made significant progress in its overall cybersecurity maturity. For instance, DGS has implemented: Continuous vulnerability management across its enterprise to address identification and response to zero day technology vulnerabilities across the enterprise in rapid response timeframes; Enterprise wide anti-malware protection that meets or exceeds State of California's standards; Mobile device protection and mobile patch management across the enterprise; Application security for a host of diverse and complex applications; Mature log management strategies and capabilities. DGS continues to utilize our next generation security information and event management (SIEM) tool that is monitored 24/7.

## **RISK ASSESSMENT PROCESS**

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The following personnel were involved in the Department of General Services 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, 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, potential impact of remediation efforts, and tolerance level for the type of risk.

In 2025, the DGS leadership team conducted an internal survey with indirect participation from middle managers and their staff to gather input on the most significant risk facing the department. Under DGS' governance structure, executives and their teams evaluated risk factors raised during governance meetings and internal discussions.

The Survey presented respondents with pre-validated risk options identified by the Director and key Deputy Directors as significant, along with the opportunity to identify additional risks. For each risk selected, respondents provided an estimated likelihood of occurrence, potential impact, and a narrative describing key considerations for DGS.

The compiled survey results were reviewed and discussed by the executive team to leverage their collective expertise. This collaborative process helped narrow the focus of the SLAA report to the risks posing the greatest potential impact on DGS' ability to achieve its mission.

## RISKS AND CONTROLS

### **Risk: Staffing – Retention, Recruitment, Workforce Planning**

DGS understands the ongoing challenges in attracting, developing, and retaining a skilled workforce necessary to meet operational and strategic objectives. DGS recognized that current recruitment timelines have increased candidate drop-off and loss to the faster-moving private or local sector employers. Limited succession planning to incorporate data-driven forecasting and alignment between workforce needs and strategic goals hinders the ability to proactively manage staffing shortages.

Without adequate controls planned to mitigate these risks, DGS could experience staffing operational inefficiencies with steady retention loss due to a lack of resources from critical programs, a lack of knowledge of program requirements, potential policy options may not be identified, and historical knowledge may be lost, which could disrupt DGS services. DGS could also experience a delay in the delivery of services or an impact on the quality of services delivered.

### **Control: Individual Development Plan e-Learning Training**

The DGS University (DGSU) Training team created an eLearning set of Individual Development Plan (IDP) courses that guide staff and supervisors through the process of initiating and developing an IDP. To support professional growth, career mobility, and future career changes, our department encourages employees to create a plan for their ongoing development. An Individual Development Plan (IDP) serves as a useful tool for employees and supervisors to establish career goals and enhance knowledge, skills, and abilities.

### **Control: Human Resources (HR) Process Modernization**

DGS is implementing process modernization to improve the employee experience with HR services. Our employees will have clear and streamlined directions on required tasks, such as policy acknowledgements, and more transparent status of their requests, such as open enrollment requests and reasonable accommodation requests. This improves workflow efficiency, and compliance reporting within a complex operational environment.

### **Control: Minimum Qualifications Pilot Program**

The extended hiring timeline (averaging 3-4 months) continues to contribute to candidate loss to other departments and the private sector, where hiring processes move more quickly. This challenge is further impacted by rising workforce mobility and evolving employee expectations.

To address this, OHR launched a Minimum Qualification Pilot Program to streamline verifying minimum qualifications early in the hiring process within selected divisions. This proactive screening aims to reduce time spent on unqualified candidates and improve overall efficiency. The verification process will occur before interviews, thus allowing hiring managers to provide offers to selected candidates more quickly.

### **Control: Workforce Development and Succession Plan**

In 2025, DGS continued to advance its Workforce Development Plan (WDP) and Succession Plan to strengthen the Department's efforts in recruiting, developing, and retaining a highly skilled, diverse, and adaptable workforce. These plans are designed to enhance DGS' ability to meet evolving workforce demands and ensure long-term organizational stability. The WDP and Succession Plan establish a framework for building an engaged, competent, and future-ready workforce capable of meeting both current and emerging departmental needs. The Office

of Human Resources (OHR) has implemented initiatives under these plans to collect workforce data, identify succession gaps, and inform strategies to address critical workforce challenges.

Through targeted initiatives, activities, and training opportunities, the WDP and Succession Plan aim to reduce staffing-related risks by expanding employee development and advancement opportunities, strengthening leadership capacity, and supporting workforce mobility. These efforts will help DGS manage workforce transitions, reduce key-person dependencies, fill critical vacancies more efficiently, and maintain a sustainable and competitive workforce aligned with the Department's mission and goals.

### **Risk: Information Security - Generative Artificial Intelligence (GenAI)**

DGS acknowledges the critical importance of safeguarding its information systems and the data it owns or manages. Like all organizations, DGS faces inherent risks associated with unauthorized access, data corruption, or loss. Such incidents can disrupt employee access to essential information, hinder the department's ability to deliver services, and potentially expose sensitive data, leading to legal and reputational consequences. In response to evolving technologies, business processes, and growing public demand particularly around GenAI, DGS is proactively enhancing its cybersecurity posture to effectively mitigate and manage emerging risk.

### **Control: Generative Artificial Intelligence (GenAI) Policy Update**

With the emergence of GenAI, DGS has revised its Acceptable Use Policy (AUP) that directs employees' access and use of state information assets for the purpose of performing their assigned job responsibilities. The updates include specific guidance addressing GenAI technologies, reducing risk exposure in

areas such as data privacy, intellectual property, inappropriate use of AI-generated content, and regulatory compliance. The updated policy explicitly defines permitted and prohibited uses of GenAI, assigns responsibility for managing sensitive or proprietary information, and institutes boundaries that uphold our legal, ethical, and contractual obligations.

### **Control: GenAI Training and Awareness**

DGS has established a Responsible Use of GenAI training program to provide additional guidance and ensure a consistent understanding of the new policy. GenAI technologies come with additional risks and considerations, such as biased or inaccurate outputs, unauthorized data disclosure, or inappropriate misuse. This training delivers instruction and examples, so all personnel are made aware of their ethical, legal, privacy, and security responsibilities when engaging with GenAI.

### **Control: GenAI Risk Management**

DGS has created a new risk assessment process for GenAI tools. The new process enables early identification of potential threats, employs standardized criteria for assessing likelihood and impact, defines escalation pathways, and ensures cross-functional collaboration between the DGS legal office, human resources, and information technology teams. This ensures that privacy, security, compliance, reputational, and other risks are evaluated and addressed consistently and effectively.

## **CONCLUSION**

The Department of General Services 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.

**Ana Lasso, 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