

Submission Date

BLUE text is determined by the reporting entity. BLACK text is determined by the web portal.

Agency Secretary Name, Title

Agency Name

Agency Street Address

Sacramento, CA Zip Code

Or

Director of Finance Name, Title (if no Agency)

Dear Agency Secretary Name,

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

Should you have any questions please contact [Name](#), [Title](#), at [Phone Number](#), [E-mail Address](#).

BACKGROUND

Describe your entity.

Must Include:

- *All entities under your reporting responsibility*
- *Mission and goals*
- *Strategic initiatives, core values/principles*

Consider Including:

- *Critical business functions, objectives, and activities*
- *History and statutory duties*

ONGOING MONITORING

As the head of Entity, [Name](#), [Title](#), is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

EXECUTIVE MONITORING SPONSOR(S)

The executive monitoring sponsor responsibilities include facilitating and verifying that the Entity internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to: [Selected Name](#), [Title](#), and [Selected Name](#), [Title](#) (as applicable).

MONITORING ACTIVITIES

Describe the process(es) used entity-wide to ensure the effectiveness of internal control systems.

Must Include:

- *Confirming effectiveness of internal control systems using:*

- *Routine activities to identify potential problems (e.g., tracking key performance indicators, meetings, and reconciliations)*
- *Periodic detailed reviews, which are best performed by:*
 - *Knowledgeable staff not directly involved with day to day operation of the control system under review*
 - *Internal or external reviewers*
- *Comparison of results to expectations and determination if change is needed*

ADDRESSING VULNERABILITIES

Describe the process(es) used to respond to vulnerabilities as they are identified.

Must Include:

- *Overview of process to assign responsibility for action*
- *Monitoring of progress to reduce the identified vulnerability(ies)*

COMMUNICATION

Describe how monitoring roles, activities, and results are communicated throughout the entity.

Must Include:

- *Monitoring roles defined, explained, and documented (e.g., Duty statements, policies and procedures, and organizational charts of responsibility)*
- *Channels for communicating vulnerabilities and control inefficiencies as they are identified, throughout the organization including:*
 - *Up and down and between staff to management*
 - *Across organizational lines*
- *Methods for communicating monitoring activities and results*

ONGOING MONITORING COMPLIANCE

The Entity *has implemented and documented / is in the process of implementing and documenting / has not begun the process of implementing and documenting* the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code sections 13400-13407. These processes include reviews, evaluations, and improvements to the Entity's systems of controls and monitoring.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Entity risk assessment process: *Executive Management, Middle Management, Frontline Management, and Staff.*

RISK IDENTIFICATION

Describe the methods and procedures used to identify the risks affecting your entity's objectives.

Must Include:

- *Methods and procedures used (e.g., surveys, questionnaires, meetings, committees, interviews, brainstorming sessions)*
- *Consideration of prior and emerging risks, single audit findings, and changing factors facing the entity*

RISK RANKING

Describe the process your entity used to rank the identified risks.

Must Include:

- *Methods and procedures used*
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- *Consideration of factors such as likelihood and impact*

RISKS AND CONTROLS

RISK: RISK CATEGORY–RISK SUBCATEGORY–RISK FACTOR

Describe your entity's risk below in the risk statement format. Provide information necessary to understand the risk. Risk statements include the following three elements:

What could go wrong?

Must Include:

- *The specific risk facing your entity*

What is the cause?

Must Include:

- *Explain why the risk has occurred or can occur*

What is the result?

Must Include:

- *Explain what can happen due to the risk occurring*

CONTROL A

Describe the control designed to help mitigate the risk.

Must Include:

- *Description of the activity*
- *How the activity reduces the risk*

CONTROL B

Describe the control designed to help mitigate the risk.

Must Include:

- *Description of the activity*
- *How the activity reduces the risk*

Risk: Risk Category–Risk Subcategory–Risk Factor

Describe your entity's risk below in the risk statement format. Provide information necessary to understand the risk. Risk statements include the following three elements:

What could go wrong?

Must Include:

- *The specific risk facing your entity*

What is the cause?

Must Include:

- *Explain why the risk has occurred or can occur*

What is the result?

Must Include:

- *Explain what can happen due to the risk occurring*

CONTROL A

Describe the control designed to help mitigate the risk.

Must Include:

- *Description of the activity*
- *How the activity reduces the risk*

CONTROL B

Describe the control designed to help mitigate the risk.

Must Include:

- *Description of the activity*
- *How the activity reduces the risk*

CONCLUSION

The Entity strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising controls to prevent those risks from happening. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Additional Comments—Optional

Agency Head Name, Title

CC: California Legislature [Senate (2), Assembly (1)]
Californian State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency