

AUDIT MEMO

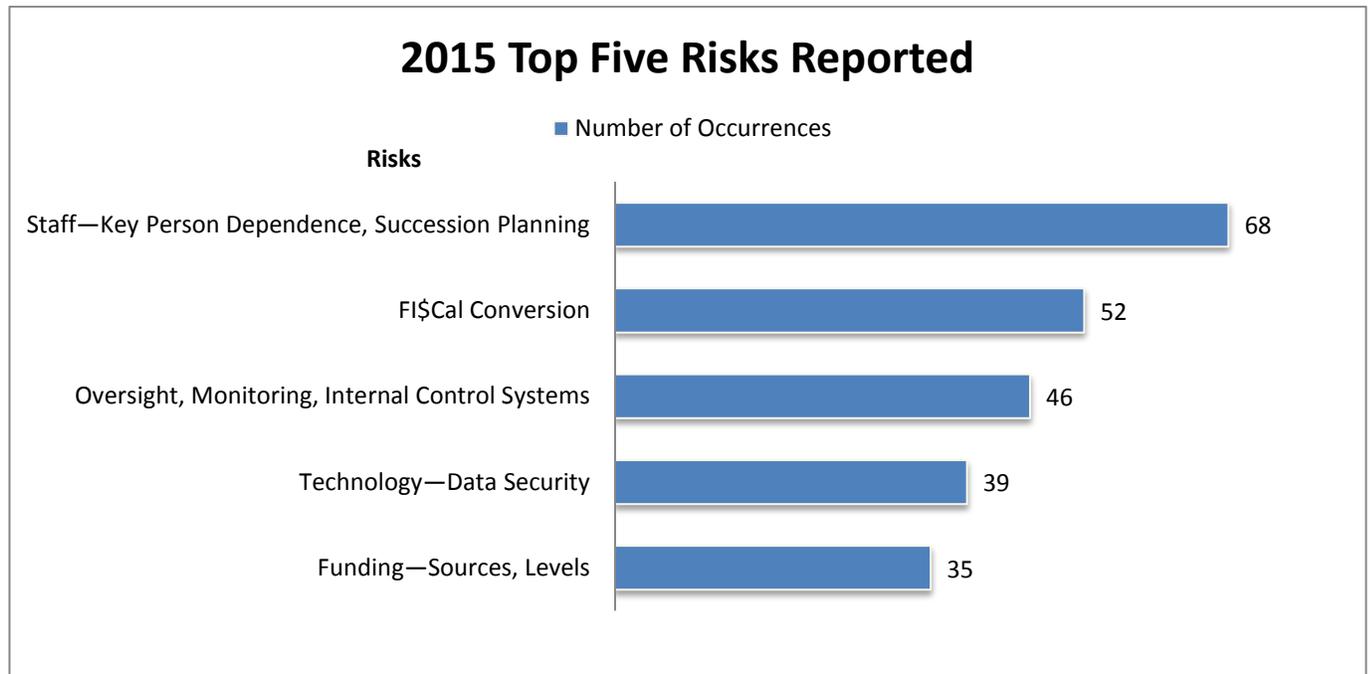
SUBJECT: State Leadership Accountability Act Reporting Requirements	NO: 17-01
REFERENCES: Government Code sections 13400 through 13407	DATE: May 2017

PURPOSE: To inform state entities of the State Leadership Accountability Act (SLAA) 2017 reporting requirements.

BACKGROUND: Government Code sections 13400 through 13407, known as SLAA, were enacted to reduce resource waste and strengthen controls. SLAA requires the entity head to maintain effective systems of internal controls, evaluate the effectiveness of these controls on an ongoing basis, and report on the adequacy of the entity's systems of internal controls by December 31 of each odd-numbered year.

2015 Top Statewide Risks

The following chart displays the top five risks that were reported in the 2015 SLAA reports.



SLAA REPORTING REQUIREMENTS: Pursuant to Government Code section 13405, all state entities are required to submit a SLAA report by December 31, 2017. The report should conclude on the adequacy of the entity's controls and the monitoring practices in accordance with the guidelines prepared by the California Department of Finance (Finance). The reports are to be submitted electronically through Finance's web portal. Instructions for the use of the web portal are available at <http://www.dof.ca.gov/Programs/OSAE/SLAA/>.

Additionally, each entity is required to post their SLAA report on their website within five business days of acceptance by Finance. Further, each entity is required to send a hard-copy version of the accepted report to the Legislature at the address listed below:

Mr. Daniel Alvarez, Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Finance will provide an electronic copy of the accepted report to the following entities: the Legislature, the California State Auditor, the California State Controller, the Secretary of Government Operations, and the State Library.

Corrective Action Plans

If an entity's report includes risks requiring mitigation, the entity must submit a Corrective Action Plan (CAP) to Finance. The first CAP is due by December 31, 2017 (corresponding with the biennial report). The CAP describes mitigation efforts. CAPs must be updated every six months until all mitigation efforts are implemented. CAPs are submitted through the Finance web portal.

GUIDANCE: SLAA guidance and templates are available on Finance's website at <http://www.dof.ca.gov/Programs/OSAE/SLAA/>. For additional information, please contact Susan M. Botkin, Manager, at (916) 322-2985, or the SLAA hotline at SLAAhotline@dof.ca.gov.

Please distribute this Audit Memo to all levels of entity management and others as appropriate.

Original signed by:

Jennifer Whitaker, Chief
California Department of Finance
Office of State Audits and Evaluations