

AUDIT MEMO

SUBJECT: State Leadership Accountability Act (SLAA) Reporting Requirements	NO: 11-02
REFERENCES: Government Code Sections 13400 through 13407 Chapter 25, Statutes of 2015 (Senate Bill 84) Chapter 371, Statutes of 2015 (Assembly Bill 728)	DATE REVISED: June 16, 2016

PURPOSE: This Audit Memo updates and informs entities on the reporting requirements of the State Leadership Accountability Act (SLAA).

BACKGROUND: Government Code sections 13400 through 13407, known as the State Leadership Accountability Act (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.

Senate Bill (SB) 84

On June 24, 2015, the Governor signed Senate Bill (SB) 84, which amended Government Code sections 13400 through 13407. SB 84 changed the name from Financial Integrity and State Manager's Accountability Act of 1983 (FISMA) to the State Leadership Accountability Act (SLAA). SB 84 also updated the Act to reflect current internal control language and standards, and altered the required distribution of SLAA reports. In addition, SB 84 changed the due date of the first corrective action plan to correspond with the report due date.

Assembly Bill (AB) 728

On September 30, 2015, the Governor signed Assembly Bill (AB) 728, which amended Government Code section 13405. AB 728 added the requirement for each entity to post a copy of the biennial report to the entity's Internet website within five business days after acceptance by the Department of Finance (Finance).

SLAA REPORTING REQUIREMENTS: Government Code section 13405 requires all state entities to submit a report during the biennial period ending December 31 of each odd-numbered year. The report should conclude on the adequacy of the entity's controls and the monitoring practices in accordance with the guidelines prepared by Finance. The reports are to be submitted electronically through the Department of Finance web portal. Instructions for use of the web portal are available at www.dof.ca.gov/osae/fisma. Finance will provide an electronic copy of the accepted report to the following entities: the Legislature, the California State Auditor, the Controller, the Secretary of Government Operations, and the State Library. Each entity is required to post the report on the entity's Internet website within five business days of acceptance by Finance. Additionally, each entity is required to send a hard-copy version of the accepted report to the Legislature at the address listed below:

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

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 (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.

SLAA guidance and templates are available on the Finance website at <http://www.dof.ca.gov/osae/fisma/>. 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 entity management and others as appropriate.

Original signed by:

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