State Leadership Accountability Act (SLAA)

California Department of Finance

SLAA Overview and 2019 Updates

How SLAA Fits into Entity Operations

An Integrated Model for Performance Improvement

* MBR Mission Based Review, SLAA State Leadership Accountability Act, BCP Budget Change Proposals, WFP Workforce Planning

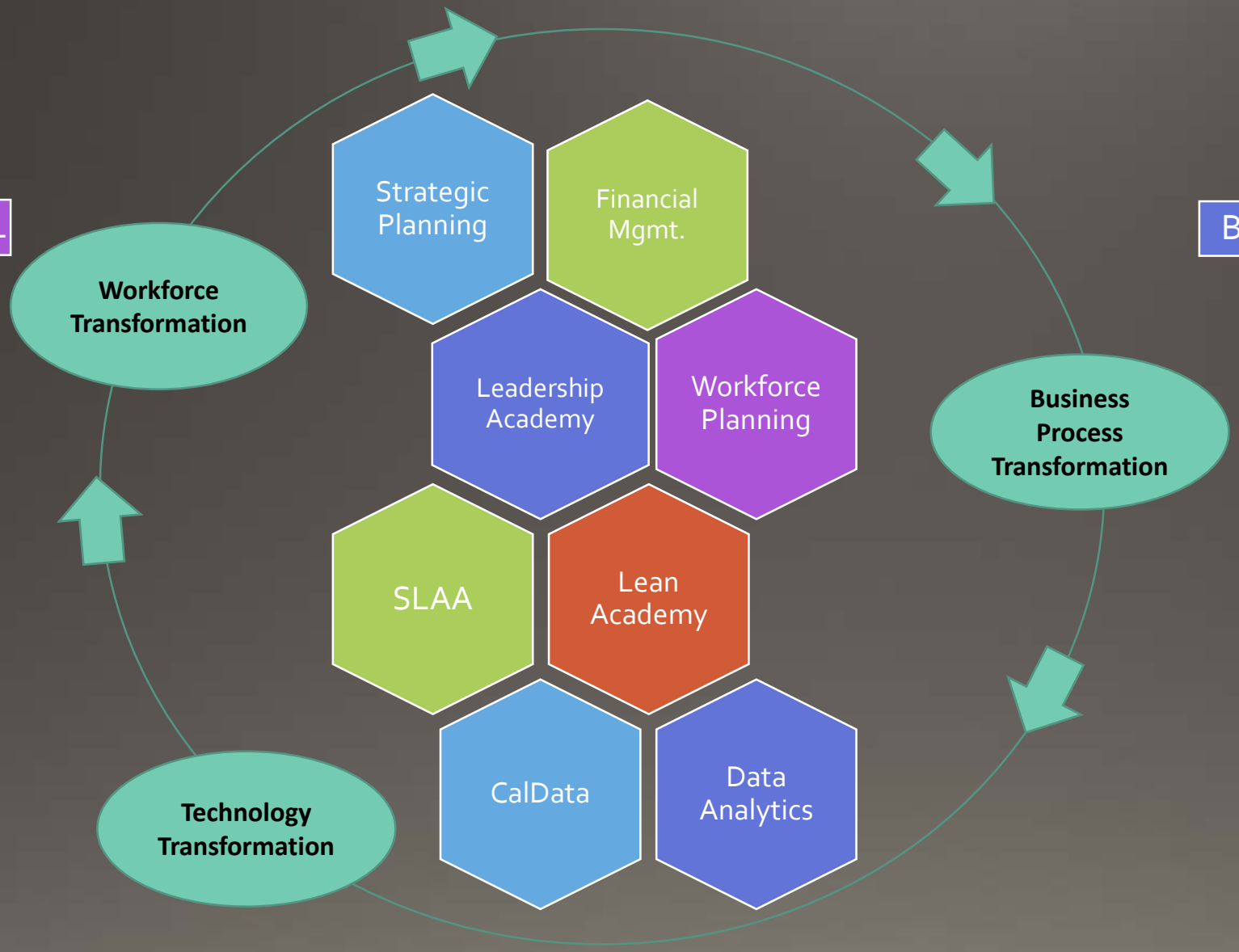
California Performance Improvement

CPI Resources

- GovOps
  - CalHR
  - CDT
  - FI$CAL

CPI Assurances

- Finance
  - BCP
  - MBR
  - SLAA



Agenda

- SLAA Overview
- 2019 Changes

"Good risk management fosters vigilance in times of calm and instills discipline in times of crisis." – Dr. Michael Ong

Training Modules

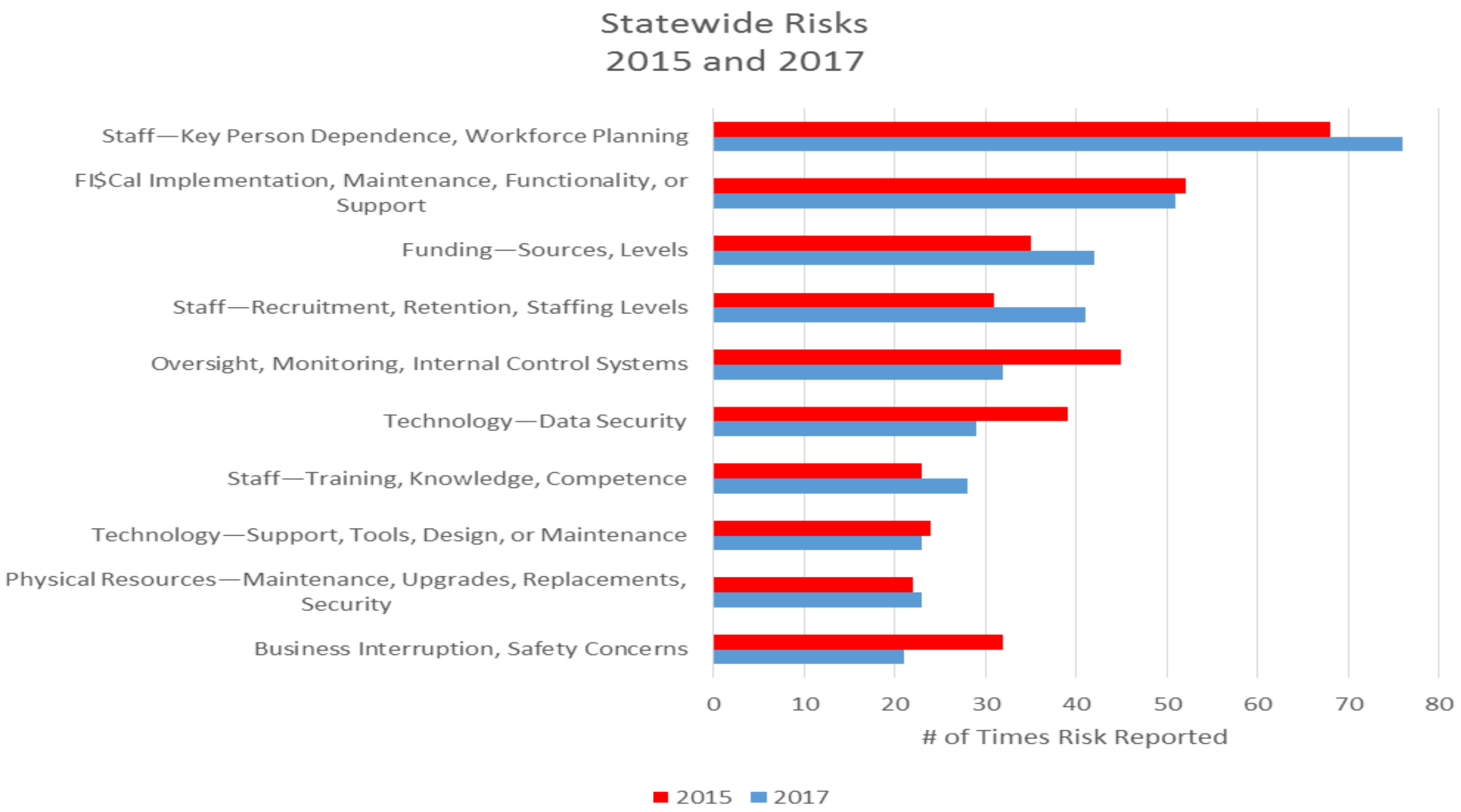
- Module 1—Executive Training
- Module 2—Overview (this training) for those with SLAA familiarity
- Module 3—Governance/Control Environment of the report
- Module 4—Risk Assessment Process/Risks and Controls
- Module 5—Monitoring
- Training by request

Increase Opportunities to Achieve Objectives

- Engaging Employees
- Improved decision making

Goals of SLAA

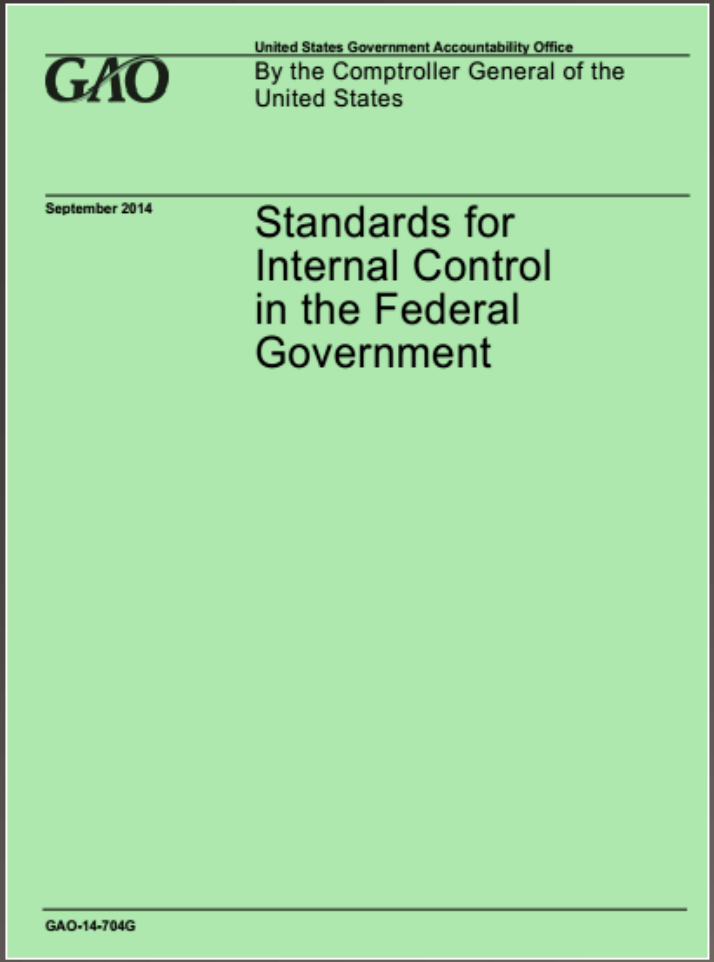
- Process Improvement
- Increased Effectiveness
- Improved Efficiency


Statewide Risks
2015 and 2017
Staff—Key Person Dependence, Workforce Planning
FI$Cal Implementation, Maintenance, Functionality, or Support
Funding—Sources, Levels
Staff—Recruitment, Retention, Staffing Levels
Oversight, Monitoring, Internal Control Systems
Technology—Data Security
Staff—Training, Knowledge, Competence
Technology—Support, Tools, Design, or Maintenance
Physical Resources—Maintenance, Upgrades, Replacements, Security
Business Interruption, Safety Concerns
0
10
20
30
40
50
60
70
80
# of Times Risk Reported
2015
2017

Big Picture—Risk and Control Framework

Source: OMB A-123

California Follows Federal Standards


GAO

United States Government Accountability Office

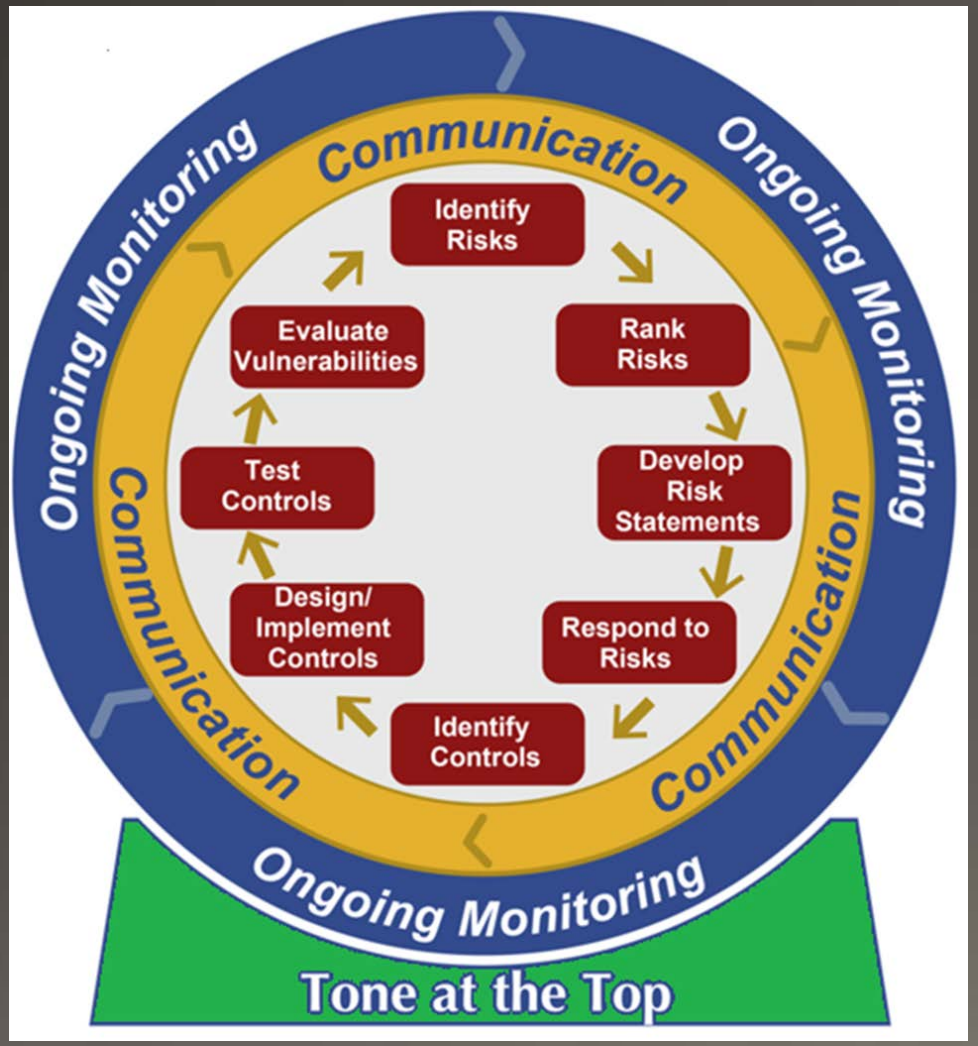
By the Comptroller General of the United States

September 2014

Standards for Internal Control in the Federal Government

GAO-14-704G

Risk and Control Model



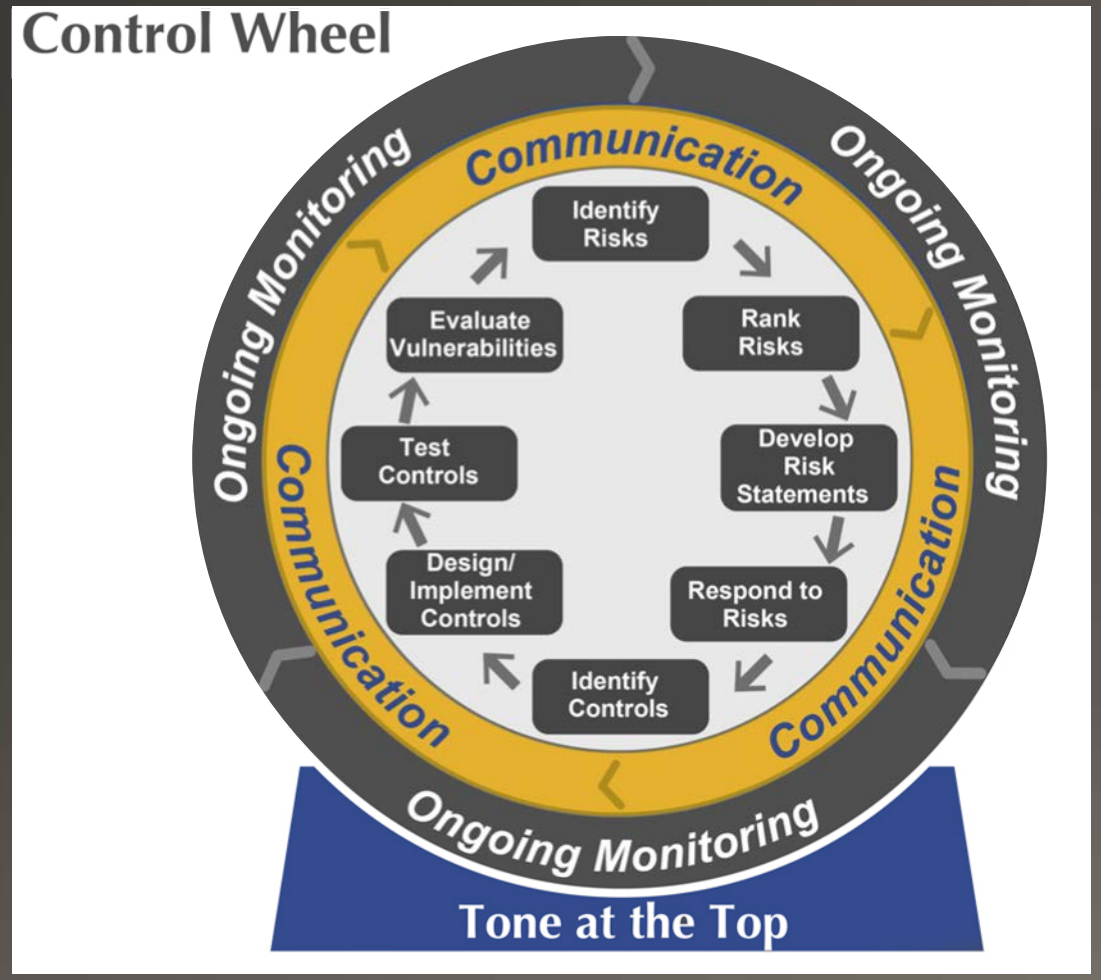
"Risk is like fire: if controlled it will help you, if uncontrolled it will rise up and destroy you"

– Theodore Roosevelt

Changes for 2019

New Required Content

Governance => SLAA Report
Control Environment => Green Book



**New*

- Control Environment
- Information and Communication

Governance => SLAA Report
Control Environment => Green Book

- Integrity & Ethical Values
- Exercises Oversight Responsibility
- Structure, Authority, Responsibility
- Commitment to Competence
- Enforce Accountability

Governance => SLAA Report
Information/Communication =>Green Book

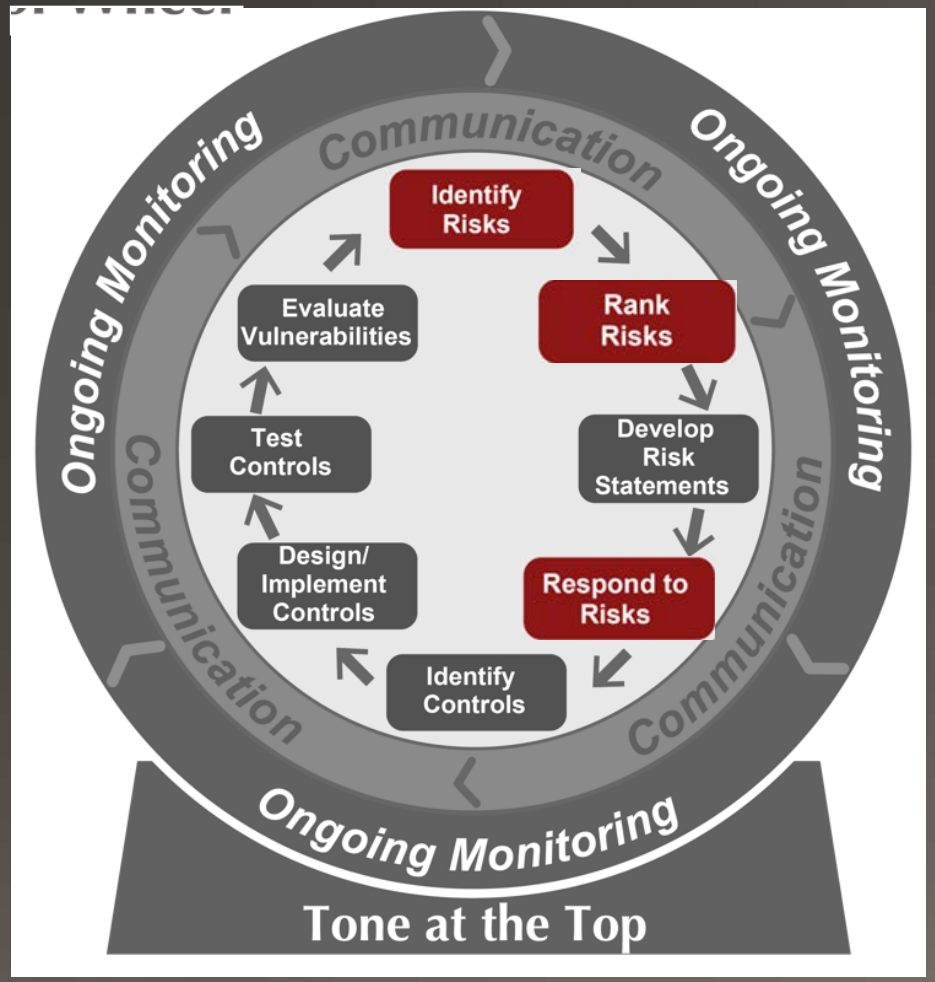
- Use Relevant Information
- Communicate Externally

Governance Summary

Culture Focused on Mission Delivery

- Risk Intelligent Organization
- Open Communication
- Data-Driven Decisions

Risk Assessment Process => SLAA Report
Risk Assessment Process => Green Book



*New

- Assesses fraud risk

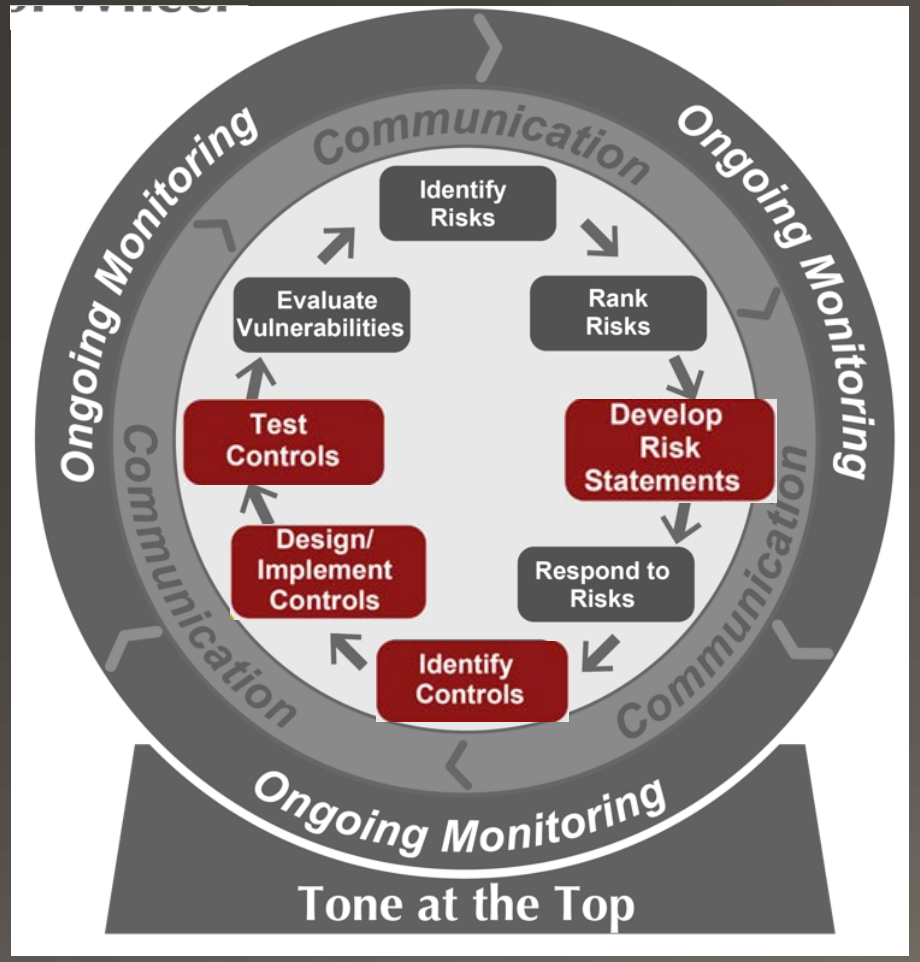
Risk Assessment Process => SLAA Report
Risk Assessment Process => Green Book

- Identify Potential Fraud Activities
- Also more check boxes & optional narrative

Risk Assessment Summary

- Robust risk assessment creates focus
- Communicating expectations and risk tolerances helps ensure fewer surprises

Evaluation of Risks and Controls => SLAA Report
Control Activities => Green Book



*New

- Selects and develops general controls over technology

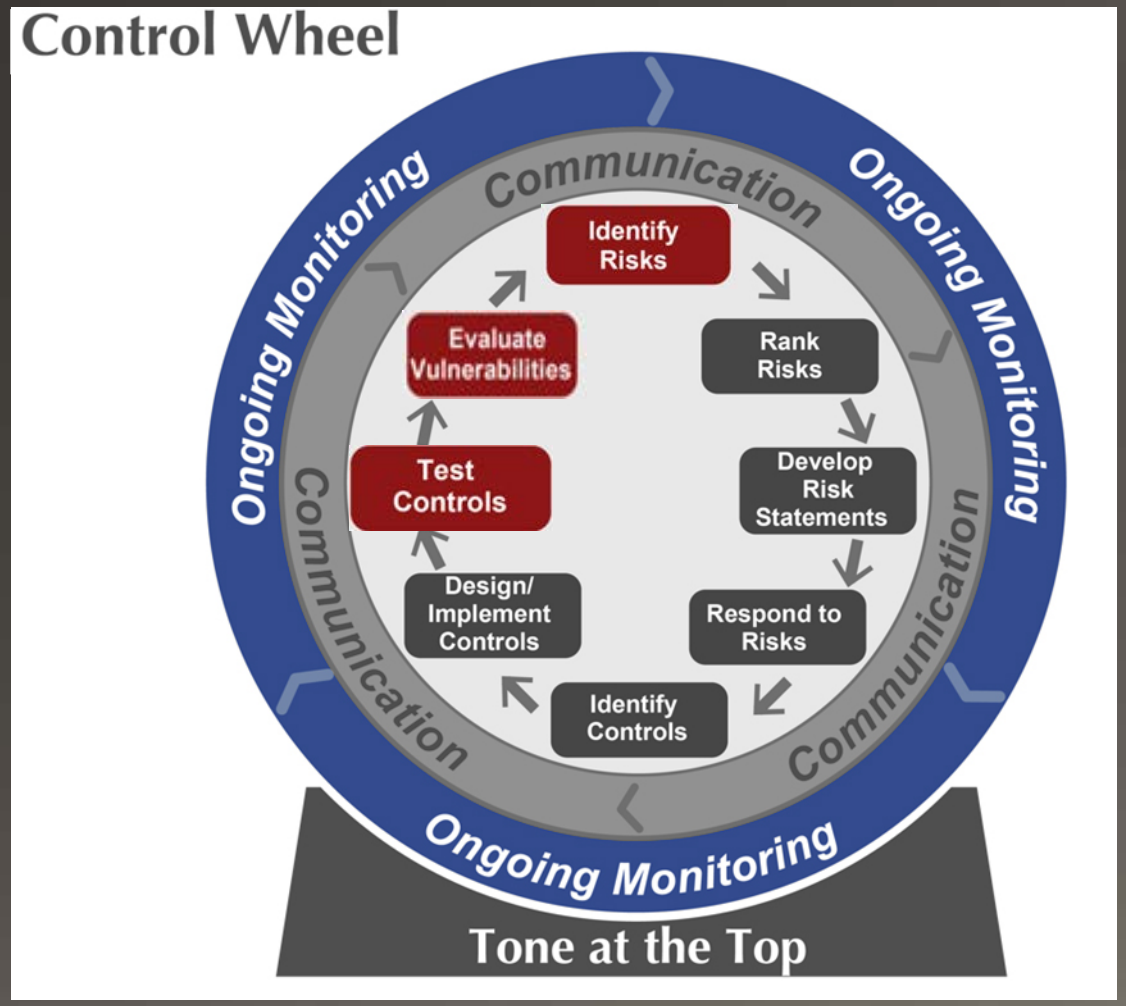
Evaluation of Risks and Controls => SLAA Report
Control Activities => Green Book

- Selects and develops general controls over technology

Risks and Controls Summary

- Program and process risks get appropriate level of consideration
- Routine intervals

Monitoring => SLAA Report
Monitoring Activities => Green Book



*No New Content

Monitoring Summary

- Helps identify changes
- Helps you know if your response level is appropriate
- Entity-wide process

Changes for 2019

Self- Assessment Checklists

Example: Module 3 Governance Commitment to Competence (4)

Workforce Planning

- Recruitment, Development, Retention
- Succession and Contingency Plans

Example: Module 3 Governance Commitment to Competence (4)

- Workforce Planning

SLAA Tools and Resources

- SLAA Website http://www.dof.ca.gov/programs/OSAE/SLAA/
- SLAA Hotline slaahotline@dof.ca.gov
- Free download, *Standards for Internal Control in the Federal Government (Green Book)* at https://www.gao.gov/assets/670/665712.pdf
- Training