



September 21, 2021

To: All State Entity Heads

Subject: State Leadership Accountability Act Requirements

The State Leadership Accountability Act (Leadership Accountability), Government Code sections 13400-13407, requires heads of state entities to establish, maintain, and monitor organizational systems of internal control. Your entity is identified as being subject to the Leadership Accountability requirements. As such, you are required to conduct an internal review of your entity's risks and internal controls. In addition, you must prepare a written report, which evaluates the adequacy of your entity's systems of internal control. This letter serves as a reminder that your report is due by December 31, 2021.

Executive management is responsible for documenting the control systems, communicating system requirements to employees, assuring the systems function as intended, and modifying the systems as changes in conditions warrant. Executive management is also required to establish and implement a system of continuously monitoring internal control systems. Additionally, executive management is required to identify risks, which may prevent the entity from meeting the entity's mission, goals, and objectives; and describing the actions taken to mitigate identified risks. To help ensure Leadership Accountability requirements are met, entities are required to report biennially on the risks identified and the mitigating actions.

As a state entity leader, the Leadership Accountability process is a great way to review your organization and better understand how you can strengthen its core functions. Leadership Accountability is rooted in risk-based management strategies that improve core government functions and avoid catastrophic failures.

The Department of Finance is available to answer any questions you may have about Leadership Accountability. You may contact us at SLAAHotline@dof.ca.gov. The Department of Finance offers Leadership Accountability resources on our website, which is updated to reflect changes to guidance, standards, and trends. See <http://www.dof.ca.gov/Programs/Osae/SLAA/>.

Your cooperation in the Leadership Accountability process is greatly appreciated.

Sincerely,

Original signed by:

KEELY MARTIN BOSLER
Director