

# Sacramento-San Joaquin Delta Conservancy

## 2015 SLAA REPORT

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December 29, 2015

John Laird, Secretary  
California Natural Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

Dear Mr. Laird,

In accordance with the State Leadership Accountability Act (SLAA), the Sacramento-San Joaquin Delta Conservancy submits this report on the review of our systems of internal control and monitoring processes for the biennial period ended December 31, 2015.

Should you have any questions please contact Shakoora Azimi-Gaylon, Deputy Executive Officer, at (916) 375-2086, [Shakoora.azimi-gaylon@deltaconservancy.ca.gov](mailto:Shakoora.azimi-gaylon@deltaconservancy.ca.gov).

### **BACKGROUND**

The Sacramento-San Joaquin Delta Conservancy's (Conservancy) service area is the statutory Delta and Suisun Marsh, which encompasses parts of six counties and approximately 1,300 square miles, including some 1,000 miles of levees and waterways. The Conservancy is governed by a Board consisting of representatives from the state and the five Delta counties. The Board also includes two ex-officio legislative members and non-voting liaison advisors from state and federal agencies with jurisdiction in the Delta.

The Conservancy's mission is to work collaboratively and in coordination with federal and state agencies, and local communities to protect, enhance, and restore the Delta's economy, agriculture and working landscapes, and environment, for the benefit of the Delta region, its local communities, and the citizens of California. The Conservancy's Executive Officer is appointed by the Conservancy's Board of Directors and is responsible for carrying out the organization's mission.

The Conservancy is California's newest conservancy, created by the legislature as part of the Delta Reform Act in 2009. California's conservancies are state agencies created to carry out a dedicated mission of enhancement for major regional landscapes. They are to act flexibly, in coordination with local entities, while advancing the public good as a governmental entity.

The Conservancy has four program areas: (1) Ecosystem Restoration; (2) Watershed; (3) Environmental Education; and (4) Economic Development. The Conservancy's funding is comprised of General Funds, Environmental License Plate Funds, Proposition 1 Grant Program funds, and reimbursement funds.

### **RISK ASSESSMENT PROCESS**

The Conservancy's Executive Officer and Deputy Executive Officer (Management team) meet regularly to identify and discuss significant agency-wide risks. Program staff are also asked to provide input on areas that are the greatest risk to the Conservancy. A subcommittee of key staff further examine the potential risks and select the most high priority risks to propose controls. The Management team will discuss the effectiveness of the proposed controls and improvements and will begin implementation.

### **EVALUATION OF RISKS AND CONTROLS**

#### **Operations- Internal- Oversight, Monitoring, Internal Control Systems**

Prior to fiscal year 2015-16, the Conservancy contracted with another State agency who managed most

of the Conservancy's administrative functions, including accounting, human resources, contracting and procurement. As of July 1, 2015, all administrative functions were transferred to the Department of General Services with the exception of contracting and procurement. The Conservancy is a small agency and most of the staff are handling specific program areas and the administration of contracts and grants are a relatively new process. While Conservancy staff has experience in the preparation of scopes of work, they needed guidance in the administration of preparing and executing contracts, and establishment of additional controls to ensure appropriate contracting procedures and consistency with the State Contracting Manual.

The Conservancy hired a Staff Services Manager (SSM) with strong experience in the state contracting process to manage the Conservancy's contracting and procurement. The Conservancy will draft an internal contracting procedures manual that will include appropriate checks and controls to augment the guidance found in the State Contracting Manual. The SSM will prepare all draft contract agreements for management team review.

## **ONGOING MONITORING**

Through our ongoing monitoring processes, the Sacramento-San Joaquin Delta Conservancy reviews, evaluates, and improves our systems of internal controls and monitoring processes. As such, we have determined we comply with California Government Code sections 13400-13407.

### **Roles and Responsibilities**

As the head of Sacramento-San Joaquin Delta Conservancy, Campbell Ingram, Executive Officer, is responsible for the overall establishment and maintenance of the internal control system. We have identified Shakoora Azimi-Gaylon, Deputy Executive Officer, as our designated agency monitor(s).

### **Frequency of Monitoring Activities**

The Conservancy Executive Management holds weekly meetings. Meeting topics include discussion of any risk to be addressed and potential internal controls. These meetings allow management to become aware of issues and take appropriate steps to mitigate the issues.

### **Reporting and Documenting Monitoring Activities**

The Conservancy encourages staff to speak with their supervisor if they discover an issue that should be addressed. The Conservancy ensures all staff receives information vital to the effectiveness and efficiency of controls and continue to receive feedback on risk mitigation. The monitoring information gathered is reported electronically to inform the Management team of the monitoring practices being conducted, improvements that are needed, and the overall monitoring success or weaknesses identified. Deputy Executive Officer reviews the updates at staff weekly meetings.

### **Procedure for Addressing Identified Internal Control Deficiencies**

The Conservancy will identify deficiencies through regular monitoring when developing contracts and through the implementation of projects. We are using internal controls to address these deficiencies once identified by revising the internal procedures to clarify information, and by providing training to staff. Depending on deficiencies identified, we may also develop a more detailed scope of work for contracts and agreements.

## **CONCLUSION**

The Sacramento-San Joaquin Delta Conservancy strives to reduce the risks inherent in our work through ongoing monitoring. The Sacramento-San Joaquin Delta Conservancy accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies. I certify our systems of internal control and monitoring processes are adequate to identify and address

material inadequacies or material weaknesses facing the organization.

Campbell Ingram, Executive Officer

cc: Department of Finance  
Legislature  
State Auditor  
State Library  
State Controller  
Secretary of Government Operations