

Colorado River Board of California

2015 SLAA REPORT

December 23, 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 Colorado River Board of California 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 Chris Harris, Deputy Director, at (818) 500-1625 ext. 309, csharris@crb.ca.gov.

BACKGROUND

The Colorado River Board of California was created under California law over 75 years ago and has responsibility for:

- Maintaining or increasing the quantity of California's Colorado River water resources.
- Representing California in discussions among the Colorado River Basin States, Indian Tribes, the federal government and others in implementing joint cooperative programs to protect California's use of Colorado River water and to address environmental and endangered species issues.
- Addressing issues relating to the 1944 U.S.-Mexico Water Treaty through cooperative efforts with the U.S. International Boundary and Water Commission and other states.

Colorado River Board Members include representatives of six water districts utilizing Colorado River water, the Department of Water Resources, and Department of Fish and Wildlife and members of the public who are appointed by the Governor.

The Colorado River Board is a small state agency with a combined administrative and professional staff of 11 positions. The Colorado River Board is managed by an Executive Director and a Deputy Director.

RISK ASSESSMENT PROCESS

Pursuant to guidance provided by state law and regulations, the Colorado River Board's Executive Director, Deputy Director and administrative staff have reviewed the Colorado River Board's system of internal controls and have identified the risks described in this letter. The Colorado River Board Executive Director and Deputy Director meet regularly to identify and discuss agency-wide risks and the Board has procedures and controls in place to address any potential risks. The Colorado River Board has internal control structures in place that are consistent with the elements identified in the state's guidance materials, including but not limited to a delegation of specific accounting and management duties and functions within the Colorado River Board, personnel who are trained and knowledgeable about the accounting and management systems, a system of authorization and record keeping procedures that provide effective accounting control over assets, liabilities, revenues and expenditures, and an organization plan that provides for segregation of duties so that the Colorado River Board's assets and accounts are safeguarded. The Colorado River Board limits access to the Colorado River Board's assets and accounts to only those personnel who need access to fulfill their responsibilities.

Because of the small size of the Colorado River Board staff, it is relatively straight-forward to examine the risks and controls that need to be put into place to address the risks.

EVALUATION OF RISKS AND CONTROLS

Operations- Internal- Staff—Key Person Dependence, Succession Planning

The Colorado River Board strives to maintain experienced and knowledgeable professional and administrative staff. Because of the small size of the agency each employee's duties and responsibilities are important and therefore having a vacancy poses a risk that certain functions will not be completed unless the vacant position's duties are reassigned to another staff member. Based on that risk, it is necessary to ensure there is a high degree of cross-training, sharing of historical and subject matter knowledge and familiarity with the Colorado River Board's programs and mission goals and objectives.

Colorado River Board staff are trained to perform multiple functions on a day-to-day basis. In the event an employee is planning to retire or transfers to another position, an effort is made to obtain as much notice as possible and to train a replacement.

Operations- External- Staff—Recruitment, Retention, Staffing Levels

The Colorado River Board employs highly specialized technical staff and recruitment is sometimes challenging.

To address the need to hire and retain qualified staff, the Colorado River Board is in constant contact with individuals who have specialized knowledge regarding Colorado River operations and who may be eligible to be hired by the Colorado River Board.

ONGOING MONITORING

Through our ongoing monitoring processes, the Colorado River Board of California 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 Colorado River Board of California, Tanya Trujillo, Executive Director, is responsible for the overall establishment and maintenance of the internal control system. We have identified Tanya Trujillo, Executive Director, Chris Harris, Deputy Director, as our designated agency monitor(s).

Frequency of Monitoring Activities

The small size of the Colorado River Board requires that the Executive Director and the Deputy Director engage in regular monitoring of the internal control system on a weekly, if not daily, basis through the review and implementation of internal control protocols in areas such as purchasing, payment of invoices, and training of new employees. The Colorado River Board trains staff for multiple positions to ensure that the administrative procedures and protocols are complied with pursuant to the regulations, policies and guidance contained in the State Administrative Manual. The Colorado River Board staff engage in mentoring and partnering to ensure that the internal controls procedures will be followed.

Reporting and Documenting Monitoring Activities

The monitoring will be conducted by the management team, who are knowledgeable about the ongoing activities within the agency. The Colorado River Board has documented the internal process to be followed in the event the Executive Director is not available or there is a vacancy with respect to that position and there is a need for others in the office to perform the duties that otherwise would be performed by the Executive Director. This structure is practical and possible due to the small size of the Colorado River Board.

Procedure for Addressing Identified Internal Control Deficiencies

To the extent it would be necessary to address an internal controls deficiency that was identified in the course of ongoing monitoring, the Executive Director or Deputy Director would modify workforce assignments to ensure that any gaps in coverage were assigned to an appropriate staff person.

CONCLUSION

The Colorado River Board of California strives to reduce the risks inherent in our work through ongoing monitoring. The Colorado River Board of California 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.

Tanya Trujillo, Executive Director

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