

December 31, 2019

Wade Crowfoot, Secretary  
California Natural Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

Dear Mr. Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Wildlife Conservation Board submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2019. Should you have any questions please contact Rebecca Fris, Assistant Executive Director, at (916) 445-1109, rebecca.fris@wildlife.ca.gov.

## **GOVERNANCE**

### **Mission and Strategic Plan**

#### **WCB Mission**

The Wildlife Conservation Board protects, restores and enhances California's spectacular natural resources for wildlife and for the public's use and enjoyment in partnership with conservation groups, government agencies and the people of California.

#### **Strategic Plan Goals**

- Environmental Protection and Conservation
- Environmental Restoration and Enhancement
- Public Use and Recreation
- Public Awareness and Education
- Fiscal and Organizational Effectiveness

In 2019, WCB updated the 2014 Strategic Plan to define more focused objectives tailored to emerging conservation priorities and to identify a strategic path forward for the next five years.

#### **Control Environment**

The Wildlife Conservation Board (WCB) is a separate and independent body of the State within the California Department of Fish and Wildlife (CDFW). WCB's mandates are in Fish and Game Code Section 1300 et seq. The California legislature created the WCB in 1947 to conserve California's wildlife resources and provide for suitable public recreation. As a result of its successful performance, WCB's role has expanded throughout its 72 years of service. WCB programs fund critical work of conservation partners throughout California and focus primarily on acquisition of lands to conserve wildlife habitats (fee title and conservation easements), wildlife habitat restoration and enhancement, and development of wildlife-oriented public access facilities.

Oversight of WCB is provided by a 7 member Board that consists of the President of the Fish and Game Commission, the Director of the California Department of Fish and Wildlife, the Director of the Department of Finance, and four public members, two appointed by the legislature and two by the Governor. Legislation that created WCB also established a Legislative Advisory Committee consisting of three members of the Senate and three members of the Assembly that meet with the Board and provide legislative oversight.

WCB has 34 full-time staff members focused on land acquisition, habitat restoration, recreational public access, budget analysis and other program support activities. Staff are led by an Executive Director, Assistant Executive Director and management team. WCB has well defined roles and responsibilities, established lines of authority, sufficient internal controls and strong lines of communication with internal and external partnerships as further described under Information and Communication.

WCB is a relatively small entity and relies on the CDFW for several of its critical business functions including accounting services, business management, human resources and information technology services. As a steward of California conservation dollars, WCB has consistently managed its role and responsibilities effectively and efficiently and has repeatedly earned the respect of consecutive administrations, legislatures, and the statewide conservation community through a history of performance. WCB has achieved this long-standing excellent reputation by continually reinforcing an established core set of values and fostering high standards of professionalism that starts with management and is communicated to all staff and through all operational activities. This has resulted in establishment of a competent workforce that efficiently and effectively implements the programs of WCB.

WCB promotes upward mobility by maintaining an organizational structure that provides promotional opportunities for all levels of staff, from entry level through management. WCB routinely undergoes internal evaluation of its operational structure, and when needed reorganizes resources to create positions to provide the leadership, breadth of experience and promotional opportunities critical to foster and strengthen internal leadership, as well as maintain and expand institutional knowledge and expertise.

WCB embraces opportunities for staff growth by providing training and development assignments, conducting annual Performance Appraisals Summaries (PAS) and creating Individual Development Plans (IDP) for staff. IDP and PAS are used to evaluate staff performance and to help staff develop their skills and improve their job performance. Annual reviews assist supervisors in identifying and following-up on the training and development needs of staff and recording of objectives and plans for improving employee performance. WCB has implemented staff cross-training within and between units to strengthen institutional knowledge and create opportunities for employees to expand their skill sets and job experience.

### **Information and Communication**

Wildlife Conservation Board staff communicate regularly internally and externally to distribute relevant and reliable information needed for operational, programmatic and financial decision making. Internally, the management team meets on a weekly basis, all program staff meet monthly, and status meetings for all WCB programs occur monthly. Status meetings cover the programmatic and financial status of the ongoing acquisition and restoration grants that WCB is managing. The management team also has quarterly budget meetings to discuss the financial status of the different WCB funding sources.

Additionally, the Administrative Unit meets regularly with our control agencies. We communicate regularly with the different state agencies that are leads on administering various bond and greenhouse gas reduction funds. We also work directly with the Department of Finance and State Controllers office on expenditure reporting. On a monthly basis, the State Bond website is updated to provide information to the control agencies and the public on projects we have funded.

WCB also regularly communicates across agencies and with external stakeholders. Staff participates in numerous interagency groups to discuss priorities and coordination of solicitations. We meet regularly with other funding agencies to discuss opportunities for partnering and joint funding. We also meet regularly with external stakeholders to identify priorities at a more regional or local level. We conduct broader outreach through workshops, conferences and meetings. Each year we sponsor 5-7 conferences where we staff tables and provide information on the status of funding and the timing of application cycles for our different programs. Starting in 2020, we will also be providing online access to our Board meetings to increase transparency of our activities.

### **MONITORING**

The information included here discusses the entity-wide, continuous process to ensure internal control systems are working as intended. The role of the executive monitoring sponsor includes facilitating and verifying that the Wildlife Conservation Board monitoring practices are implemented and functioning.

The responsibilities as the executive monitoring sponsor(s) have been given to: Rebecca Fris, Assistant Executive Director; and Sarah Rattanasamay, Chief of Administrative Services.

The Wildlife Conservation Board is in the process of implementing and documenting the ongoing monitoring processes as outlined in the monitoring requirements of California Government Code Sections 13400-13407. These processes include reviews, evaluations, and improvements to WCB systems of internal controls and monitoring.

The frequency of separate evaluations performed by WCB will be conducted on quarterly, semi- annually, annually and biennially schedules based on the assessed severity and probability of the associated risk. For example, ongoing and impartial monitoring of financial

reconciliations will be performed quarterly, which is consistent with financial status reporting required for quarterly Board meetings. Alternatively, effectiveness of program implementation evaluations will occur semi-annually and, on a rotation, due to the number of programs and the lower risk assessed. The frequency of planning and prioritizing monitoring activities will occur annually through a major and comprehensive organization wide risk assessment completed by Executive Management and additional staff as appropriate. Additionally, a minor mid-year risk assessment will occur to ensure adequate resources have been provided for ongoing monitoring and that priorities do not require adjustments. The frequency of monitoring results will occur monthly at internal unit status meetings. If results are pending completion of on-going monitoring evaluations, then a status update will be provided on the work performed to date.

The individuals responsible for performing monitoring functions will be selected based on their objectivity, and ability to maintain integrity, impartiality, and a questioning state of mind, and the ability to accurately and fairly assess circumstances and draw sound conclusions. WCB will engage knowledgeable and capable resources from internal resources and seek external resources if needed. Monitoring results will be documented in written form and follow conventional internal auditing reporting requirements including scope, methodology, objectives, observations, findings and recommendations.

All monitoring results will be kept on file by the Agency both in a hardcopy and an electronic file for a period of no less than five years. Monitoring results will be communicated first to Executive Management and then communicated to applicable staff at monthly staff meetings as appropriate.

### **Addressing Vulnerabilities**

The timeframe for deficiencies to be remedied will be dependent on the severity and probability of the risk(s) associated with the deficiency. As a general guideline, WCB will require corrective action to begin within 60 days of the identified deficiency and updates on corrective actions provided every subsequent 30-day period until adequate mitigation measures have been fully implemented. Deficiency statements will be identified as findings in final reports submitted at the conclusion of each evaluation and assessment performed. Executive Management and applicable staff will receive information through copies of reports or high-level summaries on any identified deficiencies as appropriate, as well as status updates on corrective action taken.

### **RISK ASSESSMENT PROCESS**

The following personnel were involved in the Wildlife Conservation Board risk assessment process: executive management, and middle management.

The following methods were used to identify risks: brainstorming meetings, and audit/review results.

The following criteria were used to rank risks: likelihood of occurrence, and potential impact to mission/ goals/objectives.

WCB management met to identify risks that could adversely impact the WCB's ability to implement objectives and its overall mission. Further, management also reviewed the SLAA Report submitted for the prior biennial period and observations noted by the Office of State Audits and Evaluations during compliance audits of WCB grantees.

Risk statements were prepared, reviewed and then ranked, based on both the severity and possibility of occurrence. For the risks identified, related existing controls were identified that, if working as intended, would provide reasonable assurance that risks would be mitigated. For this biennial reporting period, additional risks were identified during the risk assessment process and those identified are the highest ranked.

## **RISKS AND CONTROLS**

### **Risk: Recruitment and Retention of Human Resources**

Recruiting and retaining qualified staff is a critical need for WCB due to its complexity and important role in protection, restoration and enhancement of California's natural resources.

The WCB is a complex yet small organization with 34 permanent full-time staff, divided into three units, the Land Acquisition Unit, the Restoration and Development Unit, and the Administration Unit. The Land Acquisition Unit and Restoration and Development Unit staff are tasked with the implementation of 14 different conservation and development programs, as well as, fulfilling statutory mandates associated with five different conservation related legislative acts. Due to the autonomous nature of the WCB, the Administrative Unit is tasked with providing diverse and extensive support services that are further complicated due to a funding structure that includes federal funds, as well as, nine different state funding sources.

Failure to recruit and retain adequate staff resources has the potential to result in mismanaged state and federal funds, non-compliance with legislative mandates, missed opportunities to protect and enhance California's natural resources, and could result in the loss of the public trust in the WCB's ability to contribute effectively to statewide conservation efforts.

#### **Control: A**

WCB ensures that adequate candidate pools for all positions are available by continually assessing the appropriateness and desirability of classifications used for all staff positions. WCB is collaborating with human resource management to obtain a solution for Land Acquisition staff positions due to a decreasing response to advertisement for vacancies. Management is searching for statewide classifications for comparable duties and skill sets to determine that existing classification used by WCB was significantly less desirable than other similar options and is seeking to rectify the issue internally before failure to recruit adequate resources negatively impacts the WCB's programs' effectiveness.

**Control: B**

WCB promotes upward mobility by maintaining an organizational structure that provides promotional opportunities for all levels of staff, from entry level through management. WCB routinely undergoes internal evaluation of its operational structure, and when needed reorganizes resources to create positions to provide the leadership, breadth of experience and promotional opportunities critical to foster and strengthen internal leadership, as well as maintain and expand institutional knowledge and expertise.

**Risk: Training, Knowledge, Competence**

WCB frequently relies on specific individuals for knowledge and expertise in critical areas such as acquisition of lands to conserve wildlife habitats, wildlife habitat restoration and enhancement, development of wildlife-oriented public access facilities, and fiscal administration. WCB is vulnerable as these individuals leave or retire and could result in the loss of technical expertise, loss of institutional knowledge, and delayed processing or reporting which could adversely affect funding for WCB programs. The specialized and complex nature of WCB operations results in a steep learning curve for new staff and could contribute to delays or error in daily processes.

Without controls planned to mitigate risk, WCB's ability to carry out a variety of legislative and voter- approved conservation programs statewide could be compromised.

**Control: A**

Develop, document and implement procedures and guidelines for all programs. Procedures will be accessible electronically and reviewed annually to ensure they are current. Provide cross-training for complex tasks, capture and transfer institutional knowledge.

**Risk: Support, Tools, Design, or Maintenance**

WCB has been around for over 72 years and there are business processes across programs that are still paper intensive. Because of the long history of the WCB, there is a significant number of documents currently being stored. Dependence on paper documents slows the grant application review processes, notification letters, critical timed responses to Public Records Act requests, and other high- profile requirements, which could result in missed statutory deadlines or other compliance issues. High volumes of paper documents also lead to higher storage costs and could create safety concerns as staff required to search for documents must navigate, lift, move, search and find applicable documents. Time-consuming processes to properly identify and locate paper documents requires additional staff resources and slows response time to informational requests. This creates the potential for missed deadlines for mandated Public Records Act responses and compliance requirements.

**Control: A**

WCB accepts and encourages electronic submissions via email. Grant applications are stored and accessible from a central, online repository to staff that are processing the requests. Currently, staff are researching implementation of an online application system to further support grantees looking for funding from WCB. The online system will support acceptance and review of applications online.

In addition, WCB is leveraging California Natural Resources Agency's existing conversion services project contract to scan both historical and current documents to achieve this outcome. WCB will complete a scan assessment worksheet which details the specifications for processing the document type, indexing, storing these documents for long-term availability and accessibility.

Having these documents available electronically should increase response times and eliminate the possibility of compliance issues. This would increase efficiency and effectiveness through use of technology as well as reducing potential human errors.

**CONCLUSION**

The Wildlife Conservation Board strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising risk mitigation strategies as appropriate. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

**John Donnelly, Executive Director**

cc: California Legislature [Senate (2), Assembly (1)]  
California State Auditor  
California State Library  
California State Controller  
Director of California Department of Finance  
Secretary of California Government Operations Agency