February 2, 2016

Michael Cohen, Director  
California Department of Finance  
915 L Street  
Sacramento, CA 95814  

Dear Mr. Cohen,

In accordance with the State Leadership Accountability Act (SLAA), the Commission on Teacher Credentialing 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 Elizabeth Hambridge, Manager, Fiscal and Business Services, at (916) 322-9989, ehambridge@ctc.ca.gov.

BACKGROUND

The mission of the Commission is to ensure integrity and high quality in the preparation, conduct and professional growth of the educators who serve California’s public schools. Its work reflects both statutory mandates that govern the Commission and research on professional practices.

Critical business functions, objectives, and activities for the Commission have been organized by division. Please see below:

Certification Division: The Certification Division is the licensing branch of the Commission, responsible for reviewing, evaluating and granting applications for credentials, permits, certificates and waivers that authorize service in California’s public schools. The Division is the primary point of contact for, and provides information to, credential applicants, document holders, and credential personnel at the college, university, county office and school district levels regarding specific requirements for the credential documents issued.

Professional Services Division: The Professional Services Division is responsible for the development of licensure standards for all credential areas, aligned with the adopted K-12 academic content standards; the development and implementation of licensing examinations, including the teaching performance assessment. The Division supports the Committee on Accreditation, a statutory body that is charged with implementing the Commission’s accreditation system to monitor the quality of all educator preparation programs. Related activities include data collection, reporting, and policy research.

Division of Professional Practices: The Division of Professional Practices is responsible for the discipline of credential applicants and holders and the legal activities of the Commission. The Division supports the Committee of Credentials, a statutory body that is responsible for conducting investigations of charges of misconduct against a credential holder or applicant upon initial application for a credential, when a credential is renewed, or when there are allegations against a credential holder relating to criminal activity, unprofessional conduct, or misconduct that would impact the status of a license. The Division’s legal staff provides legal counsel and advice to the Commission, the Committee of Credentials, and other divisions within the Commission.

Administration Division: Administration is responsible for providing the necessary support for the program divisions to fulfill their statutorily required missions.
RISK ASSESSMENT PROCESS

Commission management reviewed the various tasks that are to be completed during the next two-year State Leadership Accountability Act cycle and determined that the issues in the Evaluation of Risks and Controls provide a relatively high risk to the department if they cannot be resolved. On an on-going basis, the Commission audits the functions of the department to minimize the risk to the department. The Commission’s Management team conducted an organization-wide risk assessment to identify possible risks within the agency.

EVALUATION OF RISKS AND CONTROLS

Operations- Internal- Technology—Inadequate Support, Tools, Design, or Maintenance

Risk:
The Commission conducts a significant amount of business with the public through its online website. Currently, these applications reside in a data center on-site, and backup data resides at an off-site data center. In the event of a disaster, all of the Commissions critical systems could be unavailable for months while a new facility was found to support the Commission systems.

The Commission is continuing with a contract for securely storing tape backups of all Commission data off-site. Should critical systems be disabled, Commission staff would then implement temporary systems using off-site resources. The Commission has included the solution as part of the Streamline and Strengthen the Accreditation Process (SSAP) project, which will create a technology recovery site in the CalTech’s Tier III data center. The service requests have been submitted to CalTech and staff is currently working on procuring the hardware and software needed for the technology recovery site. This is scheduled to be completed by the end of 2016.

ONGOING MONITORING

Through our ongoing monitoring processes, the Commission on Teacher Credentialing 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 Commission on Teacher Credentialing, Mary Sandy, Executive Director, is responsible for the overall establishment and maintenance of the internal control system. We have identified Mary Sandy, Executive Director, as our designated agency monitor(s).

Frequency of Monitoring Activities

Monitoring is a continuous process with weekly management team meetings as the forum to present, discuss and make decisions regarding identified areas of risk, concern or other items needing attention that include the senior management team as well as the executive director. Concerns of an urgent nature can and should be raised as they occur or are discovered and are addressed in a timely manner. These matters will be reported as needed to all staff, management team, or those affected.

Each Commission employee is provided individualized login credentials for using computers, and these logins provide access to only the information necessary for their duties by having role-based security. Items of high security or confidentiality are kept with minimal access only to those who have a need to know the information for the functions in their work. There is an annual review of privileges of employee data systems in relation to their duties. Firewalls are installed in an effort to detect and prevent breaches of Commission data and updates to the systems are kept current to avoid any lapse in protection.
Physical controls are in place to protect highly sensitive information and equipment, such as the server, which is kept locked and secured within a secondary room with a code-protected access. Personnel and legal documents are kept secured and with limited access, with confidential documents either secured or shredded. Fingerprinting is in place for employees due to the nature of employment at the commission.

**Reporting and Documenting Monitoring Activities**

All staff are empowered to raise issues of concern to their immediate supervisor or managers. This may be an informal process or may be brought up at monthly unit meetings. Senior Managers bring potential action items to weekly management meetings for discussion and decision making. Upon Executive and management concurrence, staff resources are assigned to undertake and mitigate risks and report back on progress/completion. For long term projects, periodic updates are provided to management along with any problems that require management resolution in order to accomplish remediation and mitigation goals. Documents, procedures, and other outcomes are maintained by the entity for use and reference.

Policies and Procedures are updated regularly and posted on the internal website for staff availability as needed. In any event of a risk or concern in relation to any of these internal controls, immediate steps are taken to resolve the problem as a top priority. When a problem is identified, the information will be shared with the necessary parties, likely involving senior management for discussion and then steps for problem resolution.

Any deficiency reports would be submitted to the Executive Director. A corrective action plan will be made and enforced immediately.

**Procedure for Addressing Identified Internal Control Deficiencies**

The Executive/Senior Managers Team holds weekly meetings to review any deficiencies as well as new risks and deficiencies that have been recently identified. Policy and procedure changes as part of the mitigation process will be broadcast to staff via internal memoranda or internal website.

The SLAA Coordinator and Agency Monitor work with key staff to ensure that mitigation efforts have been implemented and then periodically review to ensure sustainability of these efforts. Corrective action plan reporting will be conducted by the Agency Monitor in collaboration with assigned key staff.

The control environment of the Commission influences the control consciousness of its staff. The Commission has established a strong foundation for all other components of internal control, providing discipline and structure. Control environment factors established by the Commission include the integrity, ethical values, and competence of the Commission’s people, management’s philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its staff; and the attention and direction provided.

The Commission management reviews current procedures of its divisions on a regular basis and reports to all management if deficiencies are identified.

**CONCLUSION**

The Commission on Teacher Credentialing strives to reduce the risks inherent in our work through ongoing monitoring. The Commission on Teacher Credentialing 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.

Mary Sandy, Executive Director
cc: Department of Finance
    Legislature
    State Auditor
    State Library
    State Controller
    Secretary of Government Operations