March 27, 2018

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

Dear Mr. John Laird,

In accordance with the State Leadership Accountability Act (SLAA), the Delta Protection Commission submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2017.

Should you have any questions please contact Natasha Nelson, Assistant Executive Director, at (916) 376-3958, natasha.nelson@delta.ca.gov.

BACKGROUND

The Delta Protection Commission was established by the Delta Protection Act of 1992 (Act). In passing the Act the Legislature affirmed “it is the policy of the State to recognize, preserve and protect those resources of the Delta for the use and enjoyment of current and future generations.” The 2009 Delta Reform Act introduced the concept of the “co-equal goals” of both Delta ecosystem protection and water supply reliability for California, “…achieved in a manner that protects and enhances the unique cultural, recreational, natural resource and agricultural values of the Delta as an evolving place.”

The Delta Protection Commission serves as an important forum for Delta residents to provide recommendations and take actions to benefit the Delta as an evolving place. This includes promoting, facilitating, and administering efforts to improve flood protection, agriculture, habitat, cultural resources and recreation. It also performs an important land use function by adopting a Land Use and Resource Management Plan (LURMP) and ensuring that local government land use decisions are consistent with that plan. In cases where local land use decisions are inconsistent, they are subject to Commission review and may be overturned by Commission action.

The mission of the Delta Protection Commission is to protect, maintain, enhance and enrich the overall quality of the Delta environment and economy with a focus on agriculture, recreation and natural resources, while remaining mindful of the importance of the Delta to all Californians.

ONGOING MONITORING

As the head of Delta Protection Commission, Erik Vink, Executive Director, is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

EXECUTIVE MONITORING SPONSOR(S)

The executive monitoring sponsor responsibilities include facilitating and verifying that the Delta Protection Commission internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor(s) have been given to: Erik Vink, Executive Director.
**Monitoring Activities**
The Commission is a small state agency (8 full-time staff members and a 15-member volunteer Commission) that receives administrative support (budgeting, contracting, accounting, human resources) under contract with the State Lands Commission. Between the Commission’s executive leadership (Executive Director and Assistant Executive Director) and its administrative support from State Lands Commission staff, along with regular reporting of Commission staff activities and budget at regularly-scheduled Commission meetings, we believe that this provides the necessary checks on internal control systems and ensures their robustness.

**Addressing Vulnerabilities**
The Commission is a small state agency (8 full-time staff members and a 15-member volunteer Commission) that receives administrative support (budgeting, contracting, accounting, human resources) under contract with the State Lands Commission. Between our State Lands Commission-based administrative support and our executive leadership, as well as input from Commission staff and Commission members, we believe we are able to respond to vulnerabilities as they are identified.

**Communication**
The Commission is transparent about its activities. Commission staff fully report to Commission members at regularly-scheduled (and publicly noticed) meetings and we appreciate the added check on our work provided by the administrative support we receive from State Lands Commission staff (the entity is also among our 15-members of the Commission). We regularly discuss our staff activities with members of the public and strive for full transparency about our staff efforts. Public Resources Code Section 29780 requires the Commission to report its activities in an annual report to the Governor and Legislature.

**Ongoing Monitoring Compliance**
The Delta Protection Commission 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 the Delta Protection Commission systems of controls and monitoring.

**RISK ASSESSMENT PROCESS**
The following personnel were involved in the Delta Protection Commission risk assessment process: Executive Management.

**Risk Identification**
The Commission’s executive staff is in constant communication with Commission staff members, administrative support team members from State Lands Commission, and Commission members at our regularly-scheduled meetings. We use these opportunities to describe the Commission’s work objectives and also identify any risks toward accomplishing those objectives.

**Risk Ranking**
We ranked the identified risks through conversation and a general agreement about the appropriate ranking.
RISKS AND CONTROLS

RISK: OPERATIONS - INTERNAL - PROGRAM/ACTIVITY—CHANGES, COMPLEXITY
Of all the activities that the Commission conducts, are we selecting the actions that will have the greatest impact on supporting the unique Delta values? State resources are limited and there are many efforts that could be conducted, so the Commission must ensure that it acts in a way that provides maximum benefit for the Delta.

We might not be selecting the most appropriate actions to advance our mission. The Delta is a complex region, and the Commission’s programs to support the unique Delta values (agricultural, recreational, natural resource, cultural) are likewise complex in their scope and execution. Given the changing nature of California water policy and the integral role the Delta plays, there is a risk that selected Commission activities to support the unique Delta values will not be sufficient to fulfill our mission.

If we do not select the most appropriate actions to advance our mission, we run the risk of missed opportunities to advance the Commission’s mission.

CONTROL A
Ongoing monitoring and discussion (among staff, Commission members, and affected stakeholders) of the Commission’s actions and how they advance the protection and enhancement of the unique Delta values.

CONCLUSION
The Delta Protection Commission strives to reduce the risks inherent in our work and accepts the responsibility to continuously improve by addressing newly recognized risks and revising controls to prevent those risks from happening. I certify our internal control and monitoring systems are adequate to identify and address current and potential risks facing the organization.

Erik Vink, 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