

December 20, 2021

Wade Crowfoot, Secretary  
California Natural Resources Agency  
715 P Street, 20th Floor  
Sacramento, CA 95814

Dear Secretary Wade Crowfoot,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Sierra Nevada Conservancy submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Amy Lussier, Deputy Executive Officer, Administration, at (530) 945-9596, amy.lussier@sierranevada.ca.gov.

## **GOVERNANCE**

### **Mission and Strategic Plan**

The Sierra Nevada Conservancy is a state agency within the California Natural Resources Agency (CNRA). The SNC's mission is to initiate, encourage, and support efforts that improve the environmental, economic, and social well-being of the Sierra Nevada region, its communities, and the people of California.

The SNC was created by bi-partisan legislation and signed into law in September 2004. During the extended 2021 legislative season, Governor Newsom signed into law SB 208, expanding the SNC boundary by adding more than 1.3 million acres – about 5 percent of the Region – in the counties of Shasta, Trinity, and Siskiyou.

The statute that created SNC emphasized the importance of carrying out this mission in an integrated and complementary manner, and the important role an organization can play in providing strategic direction and resources for the Region. The SNC's objectives fall under the following seven program areas: 1) Increasing the opportunity for tourism and recreation in the Region; 2) Protecting, conserving, and restoring the Region's physical, cultural, archaeological, historical, and living resources; 3) Aiding in the preservation of working landscapes; 4) Reducing the risk of natural disasters such as wildfire; 5) Protecting and improving water and air quality; 6) Assisting the Regional economy through the operation of SNC's program; and 7) Enhancing public use and enjoyment of lands owned by the public.

This work is accomplished through the Sierra Nevada Watershed Improvement Program, created by Public Resources Code Section 33345.1 and recognized by state policy and planning documents as a model program for addressing the growing challenges facing the Sierra Nevada Region in a changing climate. The SNC's strategic goals, as outlined in the 2019-2024 strategic plan, are aimed at supporting this critical, at-risk region of California that has been presented with additional, recent challenges. The SNC aims to remain flexible so that it may at once address current and unanticipated problems while responding to significant new challenges. The SNC's strategic plan has five strategic goals for the

Sierra Nevada Region: 1) Healthy watersheds and forests, 2) Resilient Sierra Nevada communities, 3) Vibrant recreation and tourism, 4) Strategic lands conserved, and 5) Impactful regional identity.

The SNC does not oversee any other entities.

## **Control Environment**

At the head of SNC is a 16-member Governing Board with 13 voting members and three non-voting members. The voting members include five governor appointees, two legislative appointees, and six local government representatives; each local government representative is a member of the Board of Supervisors from a county within each of SNC's six Subregions. The non-voting members come from the National Park Service, the U.S. Forest Service, and the U.S. Bureau of Land Management.

Operations at SNC are led by an executive officer, a chief deputy executive officer, and a deputy executive officer, administration.

Since the agency's beginning in 2004, SNC management has been committed to operating with integrity and strong ethical values. To ensure these values remain in place, policies and procedures have been implemented and are updated as necessary; staff reads and acknowledges these policies on their first day of work and as updates or policy require. Staff is highly encouraged to talk to any member of management or Human Resources to report concerns or complaints. Human Resources handles ultimate documentation of policies, procedures, and concerns, and any other documentation resulting from a concern or complaint.

The SNC's workforce is competent, knowledgeable, and skilled. The SNC maintains this workforce by upholding mutual respect among all staff, communicating openly and honestly, and establishing best management practices and values statements to underscore and support common values and ethical and respectful practices. The SNC supports training and professional development for all staff through its training plan and program. The location of SNC's main office is unique as it is located outside of Sacramento in Auburn, traditionally making it a desirable workplace for those who live in the region covered by SNC. This has also been true for the other SNC offices, which are in Mariposa, Quincy, and Three Rivers.

Both SNC management and staff enforce accountability. Most job duties at SNC are handled by one person (excluding backups) which creates a built-in accountability process; this is paired with regular manager-staff check-in meetings. Management also follows CalHR procedures for probation reports, annual performance appraisal summaries, Individual Development Plans, and the disciplinary process and responds with positive action to feedback provided through reviews and audits. Through these mechanisms, and in conjunction with discussion at management meetings and cross-training between staff, management is continuously evaluating staff workload and organizational needs to alleviate any unreasonable or excessive pressure on staff.

## **Information and Communication**

As a small department – currently around 40 staff members – SNC can communicate relevant and reliable information between all staff without significant delay or loss of pertinent information. Staff is encouraged to communicate with other staff members on their level, with mid-line managers, and with executive staff. Standard business procedures are used to communicate information up, down, and

across the department: face-to-face discussions, meetings, conference calls, email, and SNC's internal and external websites, among others.

During the pandemic shut down beginning in 2020, short virtual all-staff and all-supervisor meetings were held every two weeks. These meetings proved to be so successful in distributing information and answering questions during this uncertain period that they have been continued, changed to a monthly interval, and made permanent. All-staff full-day meetings are held three times per year, during which executive- and/or management-level ideas, decisions, and plans are disseminated to staff; discussion, questions, and concerns are always encouraged, either during the meeting or any time afterward. Agendas for these meetings are shared in advance with staff given the opportunity to recommend relevant topics for discussion. Division and subject matter meetings are held regularly and on an as-needed basis.

In the prior reporting period, the Justice, Equity, Diversity, and Inclusion (JEDI) subcommittee, consisting of staff and managers from all SNC programs, was established to identify and address opportunities and challenges to improve outreach and diversity in the internal and external operations of the SNC. Specifically, the JEDI has three areas of focus: 1) Individual, 2) Internal Organization/ Board, and 3) Program. The JEDI established a list of goals that will help identify needs and risks, strategies and tools, and partners to work with that will influence actions and help frame the approach to developing the next strategic plan.

Communication with SNC's Governing Board and the general public happens primarily during each quarterly Board meeting. Each detailed Board meeting agenda is posted two weeks prior to the meeting for Boardmembers and the public to review. During each meeting, SNC managers and staff provide the Boardmembers with reports and updates on the status of SNC including fiscal status, program development, projects, grant guidelines and grant proposals, etc., requesting action and direction by the Board as required. Board meetings are open to the public which promotes transparency and allows for back-and-forth communication with external stakeholders and the public as anyone can comment during the public comment period or during other agenda items, if appropriate. During the pandemic and in the initial months of this reporting period, Board meetings have been held in a virtual environment. It is anticipated that Board meetings will return to in-person events throughout the SNC Region beginning in calendar year 2022, as public health conditions permit.

For external stakeholders that have a potential or ongoing project or grant with SNC, one-on-one communication with the appropriate staff person is frequent and on-going. The SNC Communications team has also updated and established methods and means of communication with the public through regular updates through and renovation of the SNC website and the regular increased use of social media.

Staff can – and is encouraged to – report ideas, inefficiencies, and inappropriate actions to their supervisor, any member of management, or Human Resources at any time. A report or comment can be made in person or in writing.

## **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 Sierra Nevada Conservancy monitoring practices are implemented and functioning.

The responsibilities as the executive monitoring sponsor(s) have been given to:  
Amy Lussier, Deputy Executive Officer, Administration; and Julie Alvis, Chief Deputy Executive Officer.

The SNC's Executive Team, which consists of the executive officer; the chief deputy executive officer; the deputy executive officer, administration; the division chief of Policy & Outreach; and the division chief of Field Operations & Grants, meets weekly for tactical discussions and monthly for strategic planning sessions. Legal staff is consulted as needed to assess legal risk on practices and policies and determine legal risk mitigation and actions to be taken.

The full management team meets quarterly for an offsite discussion. Ongoing and new risks are discussed at these meetings; discussion can include updates on the current status of a risk and plan for mitigating the risk, potential issues of an ongoing risk or internal control, and who will be responsible to assess and address the risk. During these status updates, any needed course corrections are identified. Monitoring deficiencies are also addressed by the deputy executive officer, administration, during this time with discussion to follow. Applicable staff not included in the meeting receive a debrief shortly thereafter.

Periodic detailed reviews are conducted of critical systems and processes through control agencies such as the Department of General Services, California Natural Resources Agency, California Department of Human Resources, and Department of Finance. These audits or reviews are documented in writing and posted to appropriate internal and public external sources.

Monitoring results are communicated to all SNC staff either through email, during the monthly video meetings, or at the regular all-staff meetings.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the Sierra Nevada Conservancy risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, questionnaires, consideration of potential fraud, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, timing of potential event, potential impact of remediation efforts, and tolerance level for the type of risk.

## **RISKS AND CONTROLS**

### **Risk: Lifting of Emergency Order/Returning to the Office**

Since March 2020, SNC has operated under an emergency stay-at-home order, sending all employees home to work and severely curtailing travel, prohibiting most in-person meetings. All seven quarterly governing Board meetings have also been conducted virtually, rather than travel throughout the SNC Region as has been traditional. This has not been easy, but while operating under emergency order (EO) staff has made the pivot and carried out all assignments without incident or interruption.

Because progress has been made to protect public health in all California counties, it is expected that

the statewide EO will be lifted in early 2022, returning staff to work in-office. However, regulatory requirements, the regular emergence of COVID-19 variants, their unknown health impacts, as well as efficacy of current vaccines on their transmissibility and spread, continue to be risks as noted below in returning to the office in greater numbers and re-establishing regular in-person contact with the public and partners:

- Increased exposure to COVID-19 – Besides the increased health risk of exposing staff to others as a condition of work, there are significant requirements for tracking and reporting active COVID-19 cases with potential exposure in the workplace, including offices leased from other entities. With no additional resources provided for these mandated activities, tracking, reporting, and controlling risks will be additional workload for the small facilities and HR staff, requiring delay or redirection of other essential duties. Many of these duties will be completed by a Retired Annuitant in the beginning of the program but will need to be transitioned to a permanent position at some point in the reporting period.
- Impacts on virtual meetings if the EO is lifted – AB 361 suspended some aspects of compliance with Bagley-Keene Act for virtual meetings. Unfortunately, this suspension is only authorized through January 31, 2022. This will effectively remove the option for virtual Board meetings for the SNC beginning with its March meeting. While desiring to go back into the Region for in-person meetings, until variant risks are known and reported, SNC has been planning to assess risks in real time and return to virtual meetings if the risks are too great. Without the EO or AB 361 extension, the opportunity to pivot to a virtual meeting for health and safety purposes will be eliminated. This makes it difficult to plan each meeting, which takes months to accomplish.

### **Control: Assign Monitoring, Implementation, and Policy Updates to Pandemic Coordinator**

The SNC is providing a pandemic coordinator as the single point of contact for updates to and implementation of the COVID-19 Prevention Program and other related policies, and to assist permanent staff with tracking, training, and reporting duties. This will include:

- Continuing to monitor CDPH, CalOSHA, and CDC resources as well as local county health departments in all counties where SNC does business, to identify updates as early as possible. Staff will attend labor and administrative forums where early information is shared, inform the management team, update policies and practices, and inform and support staff.
- Implementing the employee testing program and working with staff to support and train them on policy and procedures intended to keep them safe and healthy.
- Assisting Board support staff to develop and implement practices to keep public meetings as safe as possible given potential health hazards.
- Assigning pandemic coordinator responsibilities to permanent or new resources, as soon as possible.

### **Control: Track Workload and Identify Regulatory Needs**

The SNC will track the workload of the pandemic coordinator and the potential long-term impacts on workload of existing staff to request additional resources, if needed in the long term. The SNC

will also continue to track and provide input on regulatory changes (e.g., to address Bagley-Keene Act impacts) needed to operate in support of SNC's mission.

### **Risk: Telework Expansion - Implementation**

A mandate to complete and implement a new Telework Policy was issued in October 2021. Implementing this mandate will change working conditions from where they were before the pandemic, to further encourage and support expanded use of teleworking under normal conditions across all state agencies and departments. Implementation of the new Telework Policy is required to begin no later than February 1, 2022. In addition, many reporting and tracking requirements have been mandated to begin immediately, along with the requirement to appoint a Telework Coordinator to support staff and managers' success in teleworking. No additional resources have been provided to carry out these tasks and respond to these mandates. Many risks are associated with these changes:

- Updates to policies and procedures have struggled to keep up with the need to address changing circumstances – The roll out of this program has been drawn out over months, inconsistent and contradictory, leading to many uncertainties in how it may impact staff and operations. To keep departments informed, several control agencies have conducted weekly to quarterly meetings to provide updates. However, delays in collective bargaining, as well as inconsistent coordination across control agencies, have led to confusion, contradictions, and delays in guidance. Further confusion has occurred as CalHR has attempted to bargain teleworker stipends but has been unable to provide details in how stipends will be approved, tracked, and processed. This environment has made it very difficult, and therefore has increased risks to compliance and appropriate adherence to policies and procedures.
- Teleworking stipends have been approved for some but not all collective bargaining units – All stipends have been announced to be retroactive to October 2021, however, no details have been provided by the SCO in how to process them. This has created an uncertain situation where staff cannot be informed of what to expect, making it difficult for staff who have internet or cable costs due to telework to decide what their new schedule will be. Until the technical aspects of the program are shared, staff is uncertain of the impacts of implementing them on HR resources.
- Monthly reporting and tracking of telework schedules will require workload – No additional resources have been provided for these activities.

### **Control: Assign Monitoring and Policy Updates to Telework Coordinator**

The SNC is providing a single point of contact for updates to the telework and other related policies and to carry out the full array of Telework Coordinator assignments including staff/supervisor outreach and training, participation in telework forums, tracking and reporting telework to control agencies, etc. These duties will be completed by a Retired Annuitant in the beginning of the program but will need to be transitioned to a permanent position at some point in the reporting period. It is hopeful that guidance will get more consistent in the early months of the reporting period, particularly when collective bargaining around this issue has been completed.

### **Risk: Telework Expansion – Technology and Staffing**

Implementation of the new Telework Policy will result in a distributed team, allowing some people to

work in office and some to work from alternate work locations, perhaps choosing to stay home out of concern for possible ongoing COVID-19 hazards. In addition, staffing impacts are expected as the team has more latitude to live further away from their assigned office. This will include:

- Communications challenges, requiring new technologies to keep team communications successful in this new hybrid workplace – While everyone was teleworking, all meetings were held using Teams or Zoom video technology. In the hybrid workforce, new hardware will be required in the office to allow groups in-office to communicate effectively with individuals who are teleworking from multiple locations.
- Loss of staff due to additional telework options in other departments – Historically, SNC has had very little turnover, owing in part to the desirability of working outside the Sacramento area and nearer homes that are in the SNC Region. Additional teleworking options lessen the impacts of a long commute and allow staff to pursue promotional opportunities in larger departments. This has already had an impact on retention, adding workload to SNC's small (2 person) Human Resources (HR) unit and, with resources designed to address historic turnover rates, delays in hiring.
- Difficulties with recruiting, hiring, onboarding, and training until several rounds of hiring are completed and new policies are fully implemented – Teleworking at anticipated levels provides new challenges to operate effectively, with the need to update multiple processes to accommodate a changing workforce and to train supervisors in how to effectively hire, train, and manage a distributed team.

### **Control: Track Workload/Request Additional Resources**

The SNC's Telework Coordinator assignments will include staff/supervisor outreach and training, identifying implementation and communication problems and solutions, and tracking workload impacts due to implementation of expanded telework. Activities will include:

- Assessing technology needs in conference rooms and private offices to determine how to best accommodate new methods of meeting, smoothly incorporating on-site and off-site staff into everyday meetings. Staff will determine available funding sources and configure spaces and add technology as needed.
- Tracking workload and potential hiring delays to determine whether new resources will be needed in HR.
- Considering new means and methods to continue SNC's reputation as an employer of choice, reducing impacts on recruitment and retention.

### **Risk: Expansion of SNC Boundary**

For 17-plus years, the SNC has been successfully supporting efforts to improve the environmental, economic, and social well-being of the Sierra Nevada Region. With the passage of SB 208 and modification of SNC's governing statutes, starting in January 2022, nearly two million more acres will be added to its service area, including vital Northern California forests and water sources, such as Shasta Lake. This expansion of one, and inclusion of parts of two other counties, will add a seventh Subregion and bring the coverage area for SNC to nearly 27 million acres (an increase of almost 5 percent) including all or part of 24 California counties. This first-time expansion requires an assessment of resources and potential legislative changes to determine needs to ensure successful inclusion. The

analysis that has begun is expected to take a full 12 months to complete and submit through the legislative process. Final resource decisions won't be made until the Fiscal Year 2022-23 budget is signed. In the meantime, existing resources are being shifted to begin outreach and provide support into Siskiyou and Trinity counties, and to complete the analysis of legislative changes to be requested. Unless additional permanent hiring authority and funding are provided and new staff hired quickly, this expansion will put pressure on staff and services provided in other Subregions, putting ongoing program success at risk.

**Control: Request Sufficient Staffing/Prioritize Hiring Actions**

During this reporting period, SNC will engage in comprehensive cross-organizational planning and complete analysis of needs to be submitted to the legislature in order to successfully carry out the expansion as it was envisioned. Should new resources be provided, SNC will also take actions that will ensure that, once approved, hiring actions can be made quickly and resources put into place as soon as possible.

**Risk: Regional and Organizational Needs Assessment**

With changing needs outside of SNC's control including severe wildfire across the Region, climate change, historic drought, and related revenues and funding that have wildly fluctuated, SNC will need to analyze regional challenges and opportunities and develop new strategies needed to carry out its mission. At the end of this reporting period, the SNC Strategic Plan will be expiring, providing an opportunity to re-assess strategic goals and actions to address new and emerging needs and identify solutions to regional problems. Planning, including gathering and analyzing input from internal and external stakeholders, will take from 12 to 24 months with the final draft being presented to the SNC Governing Board for approval. This process will provide ongoing and systematic assessment of risks throughout the reporting period.

**Control: Update SNC Strategic Plan**

During this reporting period, SNC will initiate and complete internal and external analyses of Regional and organizational needs, including gathering input from stakeholders and partners, to develop and publish the next SNC Strategic Plan. The schedule is to take the draft plan to the SNC Governing Board in March 2024 and the final plan in June 2024, implementing the new plan on July 1, 2024.

**CONCLUSION**

The Sierra Nevada Conservancy 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.



**Angela Avery, Executive Officer**

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