

December 30, 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 California Coastal Commission 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 Madeline Cavalieri, Chief Deputy Director, at (831) 704-6857, [madeline.cavalieri@coastal.ca.gov](mailto:madeline.cavalieri@coastal.ca.gov).

## **GOVERNANCE**

### **Mission and Strategic Plan**

The California Coastal Commission was created by voter initiative in 1972 (Proposition 20) and then statutorily established by the Legislature in the California Coastal Act of 1976. The Commission carries out its responsibilities in accordance with its vision, mission, and core values embodied in its 2021-2025 Strategic Plan. The Commission is an independent, quasi-judicial state agency. The Commission is composed of twelve voting members, appointed equally (four each) by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six of the voting commissioners are locally elected officials and six are appointed from the public at large. Three ex officio members represent the Resources Agency, the California State Transportation Agency, and the State Lands Commission.

The coastal zone, which was specifically mapped by the Legislature in 1976, covers an area larger than the State of Rhode Island. On land the coastal zone varies in width from several hundred feet in highly urbanized areas up to five miles in certain rural areas. Offshore the coastal zone extends out three miles from shore. The coastal zone established by the Coastal Act does not include San Francisco Bay, where development is regulated by the Bay Conservation and Development Commission.

### **Vision Statement**

The California coast is available for all to enjoy through thousands of public accessways to and along the shoreline, a completed Coastal Trail, a well-supported network of parks and open spaces, and a wide range of visitor-serving facilities, including lower-cost campgrounds, hostels, and hotels. The rich ecological diversity of the coast and ocean, including beaches, rocky shorelines, wetlands, riparian areas, sensitive terrestrial habitats, is protected and thriving. Scenic rural landscapes are maintained, coastal agriculture is flourishing, cultural resources are protected, and the coastal communities and neighborhoods that attract so many visitors retain their unique character, social and economic vitality. The Commission works collaboratively with local governments, other agencies, and an engaged and knowledgeable public committed to coastal stewardship to support and manage environmentally-

sustainable development, including assuring priority for coastal-dependent and related uses of land and water, concentrating new growth in existing urban areas, providing multi-modal public access and transportation, and promoting well-adapted, equitable and resilient communities in the face of global climate change. The coast endures as a vital part of California's social and cultural fabric and the coastal and ocean economy is strong.

### **Mission Statement**

The Commission is committed to protecting and enhancing California's coast and ocean for present and future generations. It does so through careful planning and regulation of environmentally sustainable development, rigorous use of science, strong public participation, education, and effective intergovernmental coordination.

### **Strategic Goals**

The Commission's 2021-2025 Strategic Plan identifies nine goals:

Goal 1: Enhance Agency Capacity and Maintain an Effective and Diverse Workforce

Goal 2: Maximize Public Access and Recreation for All

Goal 3: Protect and Enhance Coastal Resources

Goal 4: Support Resilient Coastal Communities in the Face of Climate Change and Sea Level Rise

Goal 5: Advance Diversity, Equity, Environmental Justice, and Tribal Relations

Goal 6: Continue to Enhance the LCP Planning Program and Refine Implementation of the Regulatory Program

Goal 7: Expand and Enhance the Enforcement Program

Goal 8: Continue to Develop and Maintain Partnerships and Enhance Public Presence

Goal 9: Enhance Information Management and E-Government

### **Control Environment**

The Commission establishes its control environment through multiple efforts. Its principles and values are expressed in its Strategic Plan, Workforce Plan and Justice Equity Diversity and Inclusion (JEDI) Plan. These plans express the agency's mission and vision and include detailed initiatives and actions to implement the Coastal Act and develop and maintain a talented, committed, diverse and thriving workforce.

At the decision-making level, the Commission meets monthly and oversees all programmatic activities at public meetings. As part of those monthly meetings, the Commission takes public testimony on scheduled hearing items and allows the public through its "General Public Comment" item to speak to the Commission on all matters of the Commission's jurisdiction and practices. The Commission's Executive Director serves at the pleasure of the Commission and is responsible for all internal agency operations. Controls are established by the Executive Director and his Executive Management Team and are communicated through written procedures, staff meetings and ongoing weekly meetings

between supervisors/managers and line staff. Expectations regarding staff conduct and responsibilities are communicated via the management of each program/unit. The Human Resources Unit routinely assists in identifying evolving workforce needs and works with staff on succession planning, hiring, trainings, and performance evaluations.

### **Information and Communication**

The Commission is a small agency that is highly focused on its core mission. This structure facilitates ample communication between staff and management and between different units. Communication amongst staff members happens on a regular basis, including at bi-weekly executive staff meetings, bi-weekly senior staff meetings, and at monthly district or unit meetings (which include management and line staff). As needed, the executive staff informs senior staff of any policy or procedure changes needed to assist in the mitigation of any identified issues. All-staff calls, emails, memos, and other forms of written communication are used when appropriate.

In addition, the Commission communicates regularly with its agency partners and other stakeholders with interest in the Commission's program. The Commission's legal, policy and technical staff devote significant resources to developing reports and memos for external parties to address emerging policy areas and the Commission keeps its website up to date with current items of interest to agency partners and stakeholders. To aid the Commission's close partnership with local governments, the Commission regularly issues memos to local governments on policy and procedural issues and disseminates those through email communication and as well as posting related information to our website.

### **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 California Coastal Commission monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:  
Madeline Cavalieri, Chief Deputy Director.

Senior staff reports on major items through bi-weekly senior staff meetings, and significant items are then brought to the executive staff meetings (which includes the agency's Executive Director, Chief Deputy Director and District Directors). Meeting topics include discussion of a wide range of current and potential internal control issues that need to be addressed, including issues related to the risks identified below. These meetings also allow management to discuss issues they have been made aware of by line staff and decide what steps are needed to mitigate the issues that arise. These staff meetings also inform the reports to the Coastal Commission, including the annual update on progress made on the Commission's Strategic Plan.

The annual update on the progress made on the Commission's Strategic Plan is a public document that is posted on the Commission's website. Executive staff presents the monitoring report to the Commissioners at a regularly scheduled Commission hearing, according to the Commission's typical hearing procedures. Key staff members are responsible for each Strategic Plan action item, including those items related to the risks identified above. Senior staff seeks input from all staff members on evaluating progress on Strategic Plan action items prior to publishing the annual monitoring report, and all staff is encouraged to review the completed monitoring report.

If progress on the Strategic Plan or other agency initiatives is determined to be inadequate, either by the Commission or by Commission staff, executive staff, including through their bi-weekly meetings, will determine if changes are needed.

As vulnerabilities are identified, they are evaluated through regular meetings with senior staff and executive staff. Depending on the nature of the vulnerability, responses will be identified either by senior staff or executive staff. After determining the appropriate response, executive staff will identify the staff who will be responsible for overseeing implementation of the response. The staff who is responsible for overseeing implementation, will also be required to report on the response regularly, so that it can be monitored and adjusted by executive staff, as necessary.

## **RISK ASSESSMENT PROCESS**

The following personnel were involved in the California Coastal Commission risk assessment process: executive management, and middle management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, 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.

The Commission's senior staff members, including the Executive Director, Chief Deputy Director, and Deputy Directors meet bi-weekly to identify and discuss issues, priorities and risks to each agency program. At these meetings, managers raise issues that are tracked in the Strategic Plan, as well as issues related to all aspects of the program, including personnel, business services and accounting, and the potential for fraud.

A team of senior staff members, including the Executive Director, the General Counsel, the Chief Deputy Director, and the Chiefs of Information Technology, Human Resources, Fiscal and Business Services, and Accounting completed the SLAA risk assessment process by identifying risks, including those raised during the bi-weekly management team meetings and issues and risks identified in the Strategic Plan, the Workforce Plan, and the JEDI Plan. The team also relied upon recommendations contained in two Independent Security Assessments performed in 2017 and 2020 by the California Military Department Cyber Security Defense Team. Additionally, the risk assessment team used the Control Environment questions and the SLAA Risk Catalog to ensure potential risks to the agency and major issues were considered.

After identifying the risks, the risk assessment team evaluated each risk for its potential impact to the agency and the likelihood that it could occur, and then ranked the risks based on these factors. After the risks were ranked, the team identified the controls which serve to mitigate the risks and discussed the effectiveness of the controls in place.

## RISKS AND CONTROLS

### Risk: FI\$Cal Conversion

The Commission is in FI\$Cal Conversion Wave 4 and had a 'go live' date of July 2017. The conversion to FI\$Cal has affected many of the Commission's accounting, procurement, asset management, and budgeting procedures. As with many other State agencies, the conversion continues to present numerous challenges. Using the FI\$Cal system is more time consuming than previous systems, and accounting, procurement, and budget tasks in FI\$Cal take about triple the time that the same tasks took under the former CalStars system.

The Commission staff is committed to getting to be fully operational in the FI\$Cal system for accounting, billing, procurement, asset management, budgeting, and expenditure tracking. The reality of the FI\$Cal system is that while it has many important features, it is time consuming, cumbersome, and there are often system errors and inaccuracies that we need FI\$Cal staff assistance to resolve. This often means significant delays in all processes and reconciliation. Because of some of the structural problems with the overall FI\$Cal system that are yet to be resolved, fiscal month- and year-end closing takes much longer than it should, and it is difficult to have a real-time accurate picture of the budget status. The system does not generate similar reports as the former system. The Commission currently has insufficient staff capacity to address workload challenges in accounting, procurement, asset management, and budget development and tracking. The cause of this risk is the requirement to transition to this new financial system. The result could be inaccurate accounting, as well as the possibility of inappropriate expenditures or other actions based on such inaccurate accounting.

#### Control: A - Super Users

The Commission continues to address this risk by empowering our team of FI\$Cal 'super users' who oversee implementation. The super user team is made up of high-level staff from multiple key departments, including budgeting, accounting, and business services (procurement and asset management). The team participated in the FI\$Cal training and is charged with overseeing implementation of the system within the agency. The super user team will continue to identify specific needs and pursue resources to help address those needs.

#### Control: B - Training and Collaboration

The Commission is working closely with the Department of Finance's FI\$Cal analyst to resolve problems related to reconciliations and the month- and year-end closing processes and the FI\$Cal Services Center staff for specific problem-solving assistance. The Commission staff attend all relevant FI\$Cal training and collaborate with other agencies to share insights and receive assistance.

#### Control: C - Tracking and Reporting

The Commission is maintaining multiple spreadsheets regarding items such as expenditures, spending projections, reimbursement contract billing, procurement, and asset tracking and creating manual reports combining information from these spreadsheets and multiple FI\$Cal reports. The staff uses this information to track and report in a way that cannot be fulfilled solely using the

FI\$Cal reports.

### **Risk: Workforce Planning**

The Commission, like many state agencies, has and continues to have numerous retirements of very experienced senior staff. This wave of retirements will include numerous senior staff members who have had long careers in public service and a wealth of knowledge and skills. The cause of the risk is that the state workforce has many baby boomers, who have now reached retirement age. The potential result of baby boomer retirements is a loss of institutional knowledge and a disruption to operations. The Commission's Strategic Plan and Workforce Plan include actions and initiatives to address this significant workforce change, including measures to transfer knowledge. These measures collectively will help ensure the Commission continues to operate effectively and efficiently throughout the upcoming wave of retirements.

In addition, to strengthen the agency in the face of retirements, the Commission aims to increase and foster diversity. A diverse workforce enables organizational success by supporting a broad range of employee perspectives, skills, and ideas. As identified in the Commission's 2021-2025 Strategic Plan and JEDI Plan, the Commission will continue to expand its internship program, create resources to help applicants navigate the hiring system administer internal training on racial equity and implicit bias, and more. The agency will identify opportunities and strategies for enhanced outreach to recruit a diverse and highly qualified applicant pool for needed positions.

Large numbers of retirements in a fiscal year will place a financial burden on the agency. The Commission is addressing this risk, in part, by asking all employees to estimate retirement timing and plan as much as possible for peak retirement pay-out periods. Due to COVID and the PLP 2020 the 640-hour per year staff vacation annual leave cap was lifted for 2020 and reinstated in October 2021. This means that if a staff member retires or resigns the payout of remaining vacation or annual leave may be greater for the agency than before the COVID pandemic. Staff is encouraged to reduce leave as much as possible by the end of 2021. The Commission will require leave reduction plans again beginning in January 2022.

#### **Control: A - Leave Reduction**

Human Resources will continue to identify employees who are projected to be over the 640-hour cap (or corresponding caps set by bargaining contracts) to reduce the payout for separating employees. Requirements for leave reduction plans are emailed to individuals and tracked by Human Resources who will also send periodic reminders to employees and their supervisors. Keeping all employees at or below the 640-hour cap every year helps reduce the financial burden of retirement pay-outs as well as provide staff with much needed breaks.

#### **Control: B - Increase Workforce Diversity**

The Commission will provide implicit bias training for all supervisors and managers. Human Resources will coordinate with supervisors and managers to enroll in CalHR's implicit bias training course. The Commission's JEDI team will periodically solicit employees for interest in participating in the Commission's JEDI activities. Implicit bias training and JEDI activities will help the Commission recruit, hire and maintain a diverse workforce, strengthening the agency as transitions from retirements occur.



## **Risk: Recruitment and Retention**

The Commission's Workforce Plan identifies key issues regarding low staff salaries, recruitment and retention, diversifying the work force, training, and succession plan that are relevant to this SLAA Report and its 2021-2025 Strategic Plan.

The Commission recruits and hires excellent staff, but because of low salaries for many of its positions, the Commission has trouble retaining staff. The cause of this risk is that Commission salaries, especially in coastal areas are much lower than salaries for comparable positions in local, regional, and federal agencies. The Commission had a salary study prepared for the Coastal Program Analyst series and found that employees are paid up to 40% less than their local government counterparts.

In more recent years, we have seen a pattern of entry level staff staying only one to two years and leaving for other higher paying government jobs. This makes it very difficult to sustain a team of well-trained staff to implement the Coastal Act. Also, it is time consuming and expensive to recruit, hire, and train new staff to then have them leave after a couple of years because of low pay.

In 2021, the Commission again submitted a salary package to CalHR to increase the salary levels for the Coastal Program Analyst series and is continuing to pursue salary increases as well as Geopay for all our employees. Salary increases are essential to help the Commission improve retention levels. Enhancing salary structure is one of the top priorities of the Commission's 2021-2025 Strategic Plan.

The Commission has been conducting examinations for the Coastal Program Analyst series using Qualification Appraisal Panel (QAP) interviews. Prior to COVID, the Commission held these interviews in person two to three times per year. Since April 2020, the Commission has conducted these via Zoom monthly. While this has provided the Commission with the ability to add candidates to hiring eligible lists in a timely manner, it has created a constant workload issue for Human Resources. This QAP process, while still an acceptable testing method, may present barriers to the hiring process for candidates trying to navigate how to get a State job.

### **Control: A - Salary Adjustment Request**

The Commission is working with CalHR to provide additional information to support the Commission's request for a Special Salary Adjustment for the Coastal Program Analyst series. Increased salaries will help improve staff recruitment and retention.

### **Control: B - Geopay**

The Commission will submit Geopay requests via the "Harvest" memo again when SEIU comes up for bargaining again or seek legislation. Geopay will help ensure salaries in higher cost areas are raised to improve staff recruitment and retention.

### **Control: C - Online Examinations**

The Commission worked with CalHR to develop on-line examinations for the Coastal Program Analyst series to more quickly and efficiently add candidates to eligible hiring lists like other statewide classifications and reduce barriers to the hiring process. This will help improve staff recruitment.

### **Control: D - Additional Staff**

The Commission continues to request additional staff to help alleviate the agency's increasing workload. The Commission will also continue to request higher level classifications to address the increased complexity of the work over the years, as identified in the Commission's Workforce Plan. This will help improve staff retention.

### **Risk: Telework**

The pandemic created by COVID-19 forced the State to convert its operations to remote work overnight. Although the Commission was able to quickly adapt for the most part, it did provide a significant disruption to the way the Commission conducts business and continues to present logistical challenges, as well as safety concerns for employees who are not able to 100% telework and are required to come into the Commission's offices. Certain positions, including most of the Commission's administrative positions, still require time in the office to handle mail and/or paper files. Access to files previously maintained almost exclusively in paper format still requires someone in the office to scan them for others to access, including requests under the Public Records Act. This has created and continues to create a social inequity as these positions are some of the lowest paid positions at the Commission and in the State.

The Commission is committed to maintaining a hybrid work environment over the long term to reduce costs and greenhouse gas emissions and to benefit staff morale and as a recruitment and retention tool. However, the transition to long term hybrid work presents challenges. Establishing new routines and ensuring workflow is maintained will take significant upfront effort and will be addressed through the development of staff telework plans.

Similar to its office operations, the Commission's public meetings were forced into the virtual world. Where the Commission previously held three-day, in person meetings each month, the Commission quickly adapted to virtual meetings via the Zoom platform. The pandemic caused the Commission to cancel one meeting in April 2020 to allow for conversion to a virtual platform. Missing one monthly meeting resulted in a backlog of items. Managing public testimony virtually through the Zoom platform also resulted in more work for Commission staff. During each Commission meeting day, multiple staff members are pulled off their regular duties to manage speaker sign up spreadsheets and bring those testifying for each hearing item in and out of the Zoom meeting. The Commission continues to hold monthly virtual meetings and is still dealing with the backlog created by this transition.

Transparency reporting of COVID related expenses, absences, positive cases, vaccination verifications and testing continue to add work to existing staff positions that already carry a full workload.

### **Control: A - Electronic Signatures**

The Commission quickly adopted the use of DocuSign in order to convert some of the wet signature processing to digital signature and continues to use this method of signing documents remotely. This reduces the need for staff to be in the office and makes telework more efficient.



### **Control: B - Home Office Supplies**

The Commission is allowing staff to take home office supplies and/or equipment to establish home offices to facilitate remote work. In addition, support and other administrative staff are allowed to take home desk top scanners in order to reduce the amount of time needed in the office.

### **Control: C - Additional Staff**

While the additional work related to COVID reporting and virtual meetings continues to be performed by existing staff, this level of work by existing staff is not sustainable for a staff that already holds an incredibly heavy workload. The Commission will continue to submit requests for additional staff to help alleviate the additional workload or risk losing existing staff.

### **Control: D - Telework Plans**

The Commission has drafted an agency telework policy. Most staff members have an emergency telework plan on file. Once a formal telework plan is adopted, employees will be required to develop a telework plan with their supervisor. These telework plans will determine which tasks can be completed at home and which tasks should be completed in the office. They will provide as much flexibility as possible for each individual staff member to reduce personal risks and maintain work/life balance while fulfilling their job duties and meeting the agency's needs.

### **Risk: Litigation**

The legislatively defined goals of the Coastal Act include protecting, maintaining, and where feasible, enhancing and restoring the overall quality of the coastal zone environment as well as maximizing public access to and along the coast. The Coastal Commission regulates development in some of the most environmentally sensitive and valuable real estate in California. Likely because of the Coastal Act's strong coastal protection mandate and the value of coastal property, the Commission is subject to numerous lawsuits challenging the Commission's actions. It often averages about 20 lawsuits per year.

Most of these lawsuits challenge the Commission's approval or denial of coastal development permits, enforcement actions, or amendments to local coastal programs adopted by local governments. Litigants' claims can include allegations such as that the Commission's action violated the Coastal Act, California Environmental Quality Act (CEQA), the Coastal Zone Management Act, or the takings clauses of the state and federal constitutions.

The most serious risks raised by legal challenges to the Commission's actions are that its efforts to fulfill its obligations under the Coastal Act to protect fragile coastal resources and provide public access to the coast will be undermined by these cases. In certain cases, the petitioner may also be entitled to attorneys' fees and costs if it prevails in the litigation. This could cost the Commission hundreds of thousands of dollars in attorneys' fees for each such loss.

### **Control: A - Legal Review**

Litigation over the Commission's regulation of development in the coastal zone is inevitable, but the risks presented by such litigation are managed by the coordination and support of the Commission's legal staff with its district office, enforcement staff and other units. The Commission

provides its attorneys with training on the requirements of the Coastal Act, CEQA, takings jurisprudence, and other laws. The Commission also employs highly trained scientists, biologists, engineers, and other specialists, to provide data and analysis to support the Commission's actions. Commission attorneys review staff reports with recommendations for Commission action before they are posted on the Commission's website and strive to ensure that these findings will withstand legal challenge.

**Control: B - Indemnification**

To address the risk of liability for attorneys' fees and costs, the Commission also, where appropriate, requires an applicant to indemnify the Commission and pay all litigation costs and fees in the event of a legal challenge to the Commission's approval of a coastal development permit.

**Risk: Training**

Staff training and capacity is one of the most fundamental areas to address to ensure the future success of the Commission, particularly with the anticipated level of retirements and necessary succession in the agency. The cause of this risk is the complex nature of the Commission's work and the need for very specialized legal and technical knowledge. The result is that if staff is not appropriately trained, the agency will not be able to support effective implementation of the Coastal Act.

**Control: A - Staff Training**

The Commission conducts regular staff training, including on technical, legal, enforcement and IT/database related topics, and updates and disseminates related staff training materials. In addition, the Commission is completing work on a federal grant to develop and implement a staff training program focused on Local Coastal Programs (LCPs), which are a key tool in our partnership with local governments throughout the state. The Commission conducted a survey of our line staff and developed a draft framework to ensure staff needs are met. In the coming years, the Commission will use Federal grant funds to finalize the training framework and to deliver new training sessions and materials. This work will be monitored through the Federal grant reporting process, as well as through the Strategic Plan, which has several action items related to this grant. These actions will enhance staff training. The agency's Strategic Plan includes specific action items for training to support staff skills and professional development.

**Risk: Data Security**

The California Military Department Cyber Security Defense Team completed two ISAs of the Coastal Commission in 2017 and 2020. Both ISAs identified several recommendations for improving the Commission's cyber security systems, practices, and operations, including specific applicable technologies, system enhancements and estimated costs for recommended actions. This data security risk is caused by the increasing capabilities and ever-evolving nature of information technology. The result of the risk could be a breach of confidential or other sensitive information.

**Control: A - Hardware and Software Upgrades**

The Commission staff has implemented numerous operational changes to address many of the

recommendations identified in both ISAs. However, the Commission has not had the funding to procure critical network security hardware and software upgrades (e.g., systems to conduct vulnerability scans, unauthorized device connections, network monitoring, detection, and mitigation) and associated training for staff to address key network and systems security recommendations repeated in both ISAs. The Commission is currently seeking a Budget Change Proposal for FY 2022-23 for one-time funding of \$128,000 to procure the necessary hardware and software upgrades.

### **Risk: Records Management**

The Coastal Commission currently maintains approximately 10,000 boxes of paper files at the State Records Center (SRC) in Sacramento representing records of Commission regulatory and permit actions dating back to 1972. The Commission also maintains approximately 3,500 boxes of files, audio tapes, and other materials in our six district offices. Nearly all of the Commission records relate to permitting and other regulatory actions legally must be maintained in perpetuity.

Commission staff were informed that a fire at the SRC facility in May 2021 has resulted in damage to Commission records. DGS has informed Commission staff that approximately 65 permanent permit files were destroyed and approximately 2500 additional files were severely or moderately damaged and are undergoing remediation.

In addition, the Commission maintains regulatory and permit files at its six district offices. These offices are vulnerable to natural disasters, including flooding, earthquakes and fires. In just the past several years, files in the Santa Cruz office were damaged in flooding where remediation was necessary for affected records, and the Commission's Arcata office was subjected to flooding, although no files were damaged.

The loss and damage to permanent permit and regulatory records is extremely concerning and could potentially expose the Commission and state to legal liabilities or future litigation depending on the specific records.

### **Control: A - Digital Conversion**

Commission staff have developed a proposal to complete the digital conversion of all the Commission's paper records and the conversion of approximately 975 reel-to-reel tapes of historic Commission meetings to a digital format for retention and preservation. This effort would eliminate the need to maintain paper files at the state records center, reduce annual storage and shipping costs by more than \$75,000, and would provide an accessible, secure and permanent archive of all Commission records. The Commission is currently seeking funding to complete the project.

## **CONCLUSION**

The California Coastal Commission 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.

**Jack Ainsworth, 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