

December 20, 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 California Science Center 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 Patricia Marquez, Deputy Director of Administration, at (213) 744-2328, Pmarquez@californiasciencecenter.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Mission Statement

The California Science Center aspires to stimulate curiosity and inspire science learning in everyone by creating fun, memorable experiences because we value science as an indispensable tool for understanding our world, accessibility and inclusiveness, and enriching people's lives.

The Science Center achieves its mission through three primary program areas:

- Exhibit-Based Education Programming
- Educator Professional Development - Center for Science Learning; and
- Model K-5 Charter Elementary School

Strategic Planning Values

The Science Center's cultural values and principles guide how we work with our guests, volunteers and ourselves. These values and principles guide our leadership in making principle-centered decisions that are aligned with the vision and mission statements of the institution and will serve as a model for our organization.

- Create open and honest dialogue
- Strive for quality and continuous improvement
- Accept responsibility
- Act with integrity
- Create interpersonal trust
- Practice fairness
- Promote teamwork
- Encourage diversity

- Make quality service to our guests a top priority

Averaging over two million guests annually, the Science Center Program 10-Education represents one of California's premier educational and family destinations. Governed by a nine-member Board of Directors appointed by the Governor, the Science Center develops and features award-winning exhibits and internationally renowned education programs.

Hands-on educational exhibits and programs focus on science, math, technology and conservation, which explore the biological processes of humans, animals, plants, the Earth's ecosystems, habitats and geophysical processes, as well as engineering, communications, and transportation on land and in space. The Space Shuttle Endeavour continues to be on display in its temporary home—the Samuel Oschin Pavilion—while design work and fundraising continues for the Science Center's Air and Space Center—the permanent home for Endeavour.

In addition, the Science Center offers a state of the art 3D IMAX theater which features science-related films and documentaries. The Center for Science Learning offers professional development programs to improve math, engineering and science skills of teachers and other educators. The Science Center School is a K-5 science, math, engineering and technology focused neighborhood charter school. As a Title 1 school, it serves one of the more underserved and economically challenged communities in South Los Angeles. The school's instructional programs and teacher training meet California science standards.

The Science Center maintains a longstanding and successful partnership with the Science Center Foundation, a non-profit auxiliary of the organization. While the original charge of the Foundation was to raise funds for exhibit development, today the Foundation not only supports exhibit development, operations and science education programming, but raises significant funds for state capital outlay projects.

The Science Center's mission values accessibility and inclusiveness and strives to inspire interest in science among those traditionally underrepresented in science, math, technology and engineering. The Science Center receives significant funding support for exhibit development, operations and capital outlay projects from the Science Center Foundation.

The Science Center targets the workforce of tomorrow, ensuring California remains competitive in the technological and scientific marketplace of the future, and is extremely effective at bringing educational and inspirational messages to a diverse community. Nearly 70 percent of the Science Center's guests are drawn from traditionally underserved populations of color, and more than half are female.

In addition, the Science Center's youth programs bring interactive educational experiences to children and youth residing in the economically challenged neighborhoods surrounding the Science Center in South Los Angeles. Community Youth Programs target students attending some of the most crowded and underperforming schools in the state.

The enabling legislation, which establishes the Science Center and its authority, is provided under the Food and Agricultural Code Sections 4101-4108.

Facilities

There are ten facilities totaling over 1.3 million square feet which includes public space, exhibit

galleries, offices, trade shops, animal care, quarantine and life support systems, back-of-house space and administrative offices. The Science Center's Plant Operations Unit provides support for all ten facilities. As such, the facility square footage information includes the California African American Museum (CAAM) and the Office of Exposition Park Management (OEPM) which includes the Department of Public Safety.

Staffing

The Science Center has 119 authorized positions. Classifications range from Administrators (curators) to the full complement of building trades. The majority of positions require the completion of an exam and an interview process where only the highest-scoring candidates are considered. Plant operations and trades staff represent approximately 79 percent of the Science Center's employees. Their work week covers a seven-day per week operation. The Science Center is open to the public 362 days per year.

State Administrative Services Unit - Support to OEPM and CAAM

The Science Center's State Administrative Services Unit not only provides administrative support to Science Center employees and management, but also provides the following administrative services to OEPM and CAAM:

- *Human resources and personnel management* services to the Office of Exposition Park Management, which includes the Department of Public Safety, DPS (37PYs), and the California African American Museum (18) PYs and Temporary Hires (30). These services include but are not limited to: salary and benefit transactions, recruitment and hiring, equal employment opportunity consultation services and guidance, workers compensation and return-to-work. There are eight collective bargaining units between the Science Center, OEPM and CAAM (1, 4, 7, 12, 13, 14, 15 and 21)
- *Health and safety*, including administration of the Injury Illness Prevention Program, maintaining compliance with Cal OSHA requirements and emergency response preparedness, and response and recovery planning.
- *Budget and fiscal services*, including serving as the primary contract and liaison with the Department of Finance on budget development exercises and preparation of schedules, response to Budget Letters and Control Sections, and allocation of budget.

Note: The Science Center's Administrative Unit provides OEPM with accounting services. (CAAM has a separate unit and procurement authority). Accounting services include

management of the Science Center and OEPM's FI\$Cal and SCO transactions and reimbursements. While the OEPM is included within the Science Center's purchase authority, the Science Center does not manage the OEPM budget nor has approval or oversight over purchases.

Control Environment

The Science Center takes a proactive approach toward ethics and ethical values. All state employees at the Science Center must comply with rules and regulations pertaining to conflicts of interest, which includes mandatory ethics training every two years via the Fair Political Practices Commission. All new

hires complete harassment prevention training and internet security awareness training on their first day.

The Science Center's Employee Handbook also includes a detailed overview of codes of conduct which all state employees are expected to adhere to. In addition, The Science Center continues to remain in compliance with the Whistleblower Protection Act. Employees can report any ethical concerns without fear of retaliation, through both the Whistleblower Protection Act and internal regulations, which strictly prohibit any and all retaliatory tactics against good-faith complaints.

Accountability within the Science Center is applied through monthly managers meetings, weekly executive meetings and routine staff meetings among various departments designed to discuss assignments, responsibilities and progress. In addition to team leaders, executives and management staff enforce accountability among employees.

Information and Communication

One of the strategic objectives of the Science Center is to build outstanding communications both internally and externally with staff, volunteers, guests and the public at large. Internal communication is received and disseminated vertically and horizontally throughout the organization. Relevant and reliable information is also provided in print and followed up verbally. Informational updates, corrections and/or clarifications to policies, procedures and processes are posted on the "P" Public drive for accessibility. (The exception is secured or confidential information). In addition, the Science Center distributes updates pertaining to the Science Center's mission and strategic goals through the agency's quarterly newsletter *Connections Ink*.

Annual employee performance evaluations also solicit feedback on the employee/supervisor written and verbal communication. This information is also carried over to employee duty statements.

Employees are encouraged to immediately report any inefficiencies and inappropriate actions to management. The Science Center remains in compliance with the Whistleblower Protection Act, and in accordance with the act, an annual notification e-mail was distributed to all Science Center employees on July 16, 2019.

The Science Center fosters an environment that supports good-faith reports of alleged employee or Science Center-related violations. The Employee Handbook, which is provided to all new employees and available on the public drive, prohibits any and all retaliation against employees who make good-faith reports in accordance with federal and local laws.

External communication to the public is disseminated via the Science Center's public-facing website www.californiasciencecenter.org, where guests can learn information about the Science Center's featured exhibits, coming attractions and the various programs available through the Science Center such as Science Camp and Professional Development initiatives designed to further the Department's objectives.

Management also maintains correspondence with external stakeholders, vendors and outside parties through the use of Fi\$Cal, phone calls and e-mails.

The Science Center utilizes several information systems to record pertinent operational, programmatic and financial data. These systems include, but are not limited to, the Inspired Learning Management System (iLMS), Fi\$Cal, CalATERS Global, Concur and Microsoft Office.

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 Science Center monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:

Alfred Konuwa, EEO & Training Officer.

The Science Center's oversight is led by President and CEO Jeffrey Rudolph. In addition to executive staff, the Science Center is also governed by a nine-member board of directors.

Executive Monitoring Sponsor(s)

The executive monitoring sponsor responsibilities include facilitating and verifying that the Science Center's internal control monitoring practices are implemented and functioning as intended. The responsibilities as the executive monitoring sponsor has been given to Patricia Marquez, Deputy Director for Administration.

Monitoring Activities

The monitoring of internal controls is the responsibility of all members of the executive team – each deputy director is responsible for the overall establishment and maintenance of the monitoring systems. The Science Center's strategic values and principles guides our leadership in making principled-centered decisions. This includes striving for quality and continuous improvement. Monitoring activities and soliciting feedback occurs at several levels within the organization.

Ongoing Monitoring

As the head of the Science Center, Jeffrey Rudolph, President and CEO, is responsible for the overall establishment and maintenance of the internal control and monitoring systems.

Addressing Vulnerabilities

Each Department within the Science Center conducts Departmental meetings. Managers meet monthly to discuss any potential vulnerabilities. The Executive team meets on a weekly basis. In addition, the President and CEO conducts one-on-one meetings with direct reports. Certain departments also rely on monitoring and feedback via external solicitations to monitor outward facing services including programmatic evaluations, surveys, mystery shopper services, and guest comments.

Ongoing Monitoring Compliance

The Science Center has implemented and documented 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 Science Center's systems of controls and monitoring.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Science Center 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: Procurement Process (Acquisition Methods)

As the Science Center's procurement staff experienced employee turnover, the Department conducted an internal review of its procurement process to foster a smooth transition for incoming employees. The Science Center realized there was a need for additional trainings and workshops to prevent any potential errors amid the statewide transition to FI\$Cal.

Employee turnover also meant the departure of more experienced procurement staff, which led to challenges in updating policies and procedures per the procurement manual. Basic state training offered to procurement staff was limited and the Science Center looked to improve upon pre-existing requirements with a more comprehensive training program.

Buyers utilize procurement software—such as the recently implemented FI\$Cal program—frequently. Non-compliance with the state's procurement policies and procedures, such as acquisition methods, could result in delays in processing and potential audit findings.

Control: Control A: Revamped Procurement Manual

The Science Center worked with the Department of General Services (DGS) Purchasing Authority unit to complete a revamp of the Science Center procurement manual. Updates to the procurement manual were accompanied by workshops which incorporated job aides, guidelines and templates.

Control: Control B: Comprehensive Procurement Training Program

In 2017, CalPCA online trainings were limited, meaning limited access to critical tools designed to understand the procurement process. At the time, state procurement analysts attended newly offered DGS CalPCA trainings in Sacramento.

These trainings focused on acquisition methods with the goal of developing internal workshops for all Science Center buyers and procurement-related staff.

As part of the rollout of the new procurement manual, regular trainings were conducted in house. After Science Center analysts attended courses offered by CalPCA and FI\$Cal, they developed a procurement training series that was launched on September 4, 2019.

Upon initial completion, training will be recommended every three years. Increased training among buyers has added clarity to the procurement process while reducing errors, processing times and inaccuracies.

Control: Control C: Development of Procurement Guidelines

The Science Center has developed procurement guidelines internally. Handouts and additional educational tools are designed to simplify the procurement process, making it clearer for buyers and thereby reducing non-compliance.

Risk: Decentralized Files within Accounting System

Following the statewide transition to FI\$Cal, the Science Center looked to find more efficient methods of documentation, leading to an internal review of our own processes and filing systems.

The Science Center's internal review identified decentralized policies, procedures and files pertaining to the procurement process. Required documentation appeared in various file locations. The decentralized files reduced efficiency and created potential challenges to remain in compliance with state policies, procedures and best practices.

A lack of centralized files may result in missing documents, a delay of the procurement process as well as potential audit findings due to the lack of a centralized file system.

Control: Control A: Identify Required Documentation

State procurement identified and developed required documentation for the procurement process as part of its transition to FI\$Cal. All required supporting documentation is uploaded into the online FI\$Cal system. These documents include the following:

- A buyer checklist for all four acquisition types (non-IT goods, non-IT services, IT goods and IT services).
- A bid quote worksheet to properly document and award bids/quotes received.
- Solicitation templates to standardize solicitations.
- Commercially Useful Function Evaluation form required to award to a certified small business, microbusiness or disabled veterans business enterprise.

The addition of required documents in the FI\$Cal system leads to a more streamlined process that increases transparency and accountability within the Science Center's procurement process. The proactive changes also allow improved compliance with existing procurement laws, ensuring proper acquisition and management of contracts in a matter that safeguards the state's interests.

CONCLUSION

The California Science Center 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.

This field is optional to provide additional comments about your entity's Leadership Accountability process

Jeff Rudolph, CEO

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