

California Law Revision Commission

2025 Leadership Accountability Report Draft

October 03, 2025

Joe Stephenshaw, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Director Joe Stephenshaw,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the California Law Revision Commission submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2025.

Should you have any questions please contact Christie House, Chief of Administrative Services, at (916) 314-3337, chouse@clrc.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The California Law Revision Commission is an independent agency reporting directly to the Governor. We are reporting for ourselves. The California Law Revision Commission was created in 1953 as the permanent successor to the California Code Commission and given responsibility for the continuing substantive review of California statutory and decisional law (Gov't Code §§ 8280 - 8298).

The Commission's objectives are to examine California statutes and judicial decisions to discover defects and anachronisms and recommend legislation to implement reforms.

The Commission assists the Legislature by:

- *Comprehensively studying complex and sometimes controversial subjects.*
- *Identifying major policy issues for legislative attention.*
- *Gathering the views of interested persons and organizations.*
- *Drafting legislation to implement recommendations for legislative consideration.*

The Commission draws upon internal and external expertise to analyze California law and present specific recommendations in the form of reports and legislative proposals. The Commission also conducts substantive and nonsubstantive statutory recodification projects that the Legislature may not otherwise have the bandwidth to support. The Legislature has given the Commission broad authority to examine the law in certain subject areas and initiates specific studies upon Legislative request.

On January 1, 2020, a new policy-making body was added to the California Law Revision Commission, the Committee on Revision of the Penal Code. The Committee assists the Legislature in the study of the California Penal Code and recommend statutory reforms to achieve the following improvements:

- *Simplify and rationalize the substance of criminal law.*
- *Simplify and rationalize criminal procedures.*
- *Establish alternatives to incarceration that will aid in the rehabilitation of offenders.*
- *Improve the system of parole and probation.*

Control Environment

The California Law Revision Commission, headed by the Executive Director, models integrity, professionalism, and transparency in all areas of their work.

The Commission is very small agency, currently less than ten employees, and managers work collaboratively with all staff on a weekly basis. The Executive Director constantly monitors internal and external controls, as is the nature of a small agency. The Executive Director maintains formal and informal documentation of control systems through internal staff emails, approves all state reports before they are submitted, written notes from staff meetings and formal documentation of performance reports and evaluations.

The Executive Director is committed to establishing and maintaining a competent workforce and encourages and provides the mentoring and training necessary to keep staff working at a high level.

The Commission contracts with external partners, including the Legislative Counsel and the Department of General Services, for certain administrative services. The Commission follows all relevant statewide policies and procedures.

Information and Communication

As a very small agency, internal communications are direct and straightforward. The Executive Director communicates agency policy and program needs directly to every staff member, through face-to-face communications and email. Every staff member has the opportunity to

report directly to the Executive Director and to request information from the Executive Director. This results in a high-quality internal communications that reliably convey relevant information.

The Executive Director and the staff attorneys communicate directly with the California Law Revision Commission members at bi-monthly public meetings. The Executive Director and staff attorneys produce written memos that guide the Commission's business which are posted to the agency's website, distributed to stakeholders via electronic mail distribution lists and sent directly to Commission members. In this way, the Commission staff reliably conveys relevant and quality information to the Commission, interested stakeholder groups, and the general public.

The Legal Director to the Committee on Revision of the Penal Code, who reports to the Commission's Executive Director, provides similar communication to the Committee.

The Executive Director and staff attorneys communicate with the Legislature at regular intervals to explain the Commission's process and testify at policy committee hearings to explain the Commission's recommendations for statutory reform. These interactions mutually support the Legislature and Commission's core work.

The Legal Director to CRPC and staff attorneys provides communications to Legislature for the Committee.

The Executive Director, Chief Deputy Director, and Staff Services Manager I (Specialist) communicate by email and telephone with relevant personnel in other agencies to effectuate the Commission and Committee's administrative needs relating to accounting, procurement, personnel, and budget. The Executive Director, Chief Deputy Director, and Staff Services Manager I (Specialist) also report relevant information to other agencies, as required.

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 Law Revision Commission monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Sharon Reilly.

Because of the very small size of the Commission, monitoring processes are straightforward and robust. The Executive Director continuously observes and evaluates the work of all other agency staff. This enables the Executive Director to immediately anticipate and/or swiftly detect issues. This allows the Executive Director, working with other staff as necessary, to develop and implement corrective measures at a very early stage. This system of continuous monitoring and minor correction allows the Commission to minimize and address any risks that manifest.

RISK ASSESSMENT PROCESS

The following personnel were involved in the California Law Revision Commission risk assessment process: executive management, middle management, front line management, and staff.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, 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, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Difficulty Administering a Small Agency

Because of the very small size of the agency, managers and administrative staff are required to wear many hats. This jack-of-all-trades approach means that the agency lacks deep expertise in any part of the administrative process. This often creates unnecessary work and suboptimal results, as the staff is required to learn many processes largely from scratch, on an as-needed basis, before moving on to the next.

Control: Control A: Host Agency

A possible mitigation to this risk would be to find a host agency that would be willing to take the California Law Revision Commission (CLRC) into its organizational structure and provide it with the administrative support it provides to its other units. One significant obstacle to this is CLRC's need for operational and policy independence. One of the main functions of the CLRC is to conduct objective and independent law reform studies. If the CLRC were made a subordinate part of another agency, which could exercise control over staffing and other critical resources, the independence of the CLRC could be compromised. Therefore, the Commission has not implemented this control

and accepts the risk.

Risk: Key Person Dependency

All of the Commissions administrative functions and state reporting are handled by one person. CLRC is a small agency of 8 employees with a single administrative manager. As a result of these conditions, key person dependency is unavoidable.

Control: Control A: Procedure Manual

To mitigate this risk, we have established a written procedure manual to document the administrative tasks to make it easier to train a replacement and allow for occasional internal assistance.

Control: Control B: Upgrade Vacant Position to Assist

To mitigate this risk, we are in the process of using a vacant secretary position to create an administrative analyst. This would allow for cross training and a distribution of administrative duties.

Risk: Small Agency Resource Limitations

Very few required reporting and compliance regulations for state agencies have any kind of scaling or exemptions that are mindful of very small agencies. This means that we

are often faced with requirements that are unduly burdensome when applied to an agency of our size. Compliance often requires an unreasonably large expenditure of resources.

Control: Control A: Host Agency

A possible mitigation to this risk would be to find a host agency that could integrate the California Law Revision Commission (CLRC) into its organizational structure and provide it with the administrative support for these reporting requirements. One significant obstacle to this is the CLRC's need for operational and policy independence. One of the main functions of the CLRC is to conduct law reform studies independently, without outside control. If the CLRC were made a subordinate part of another agency, which could exercise control over staffing and other critical resources, the independence of the CLRC could be compromised. Therefore, the Commission has not implemented this control and accepts the risk with no further action planned.

CONCLUSION

The California Law Revision 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.

Sharon Reilly, Executive Director

CC: California Legislature [Senate, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency