

December 30, 2019

Alexis Podesta, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Ms. Alexis Podesta,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Osteopathic Medical Board of California 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 Terri Thorfinnson, Assistant Executive Director, at (916) 999-3426, Terri.Thorfinnson@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Osteopathic Medical Board of California's (Board) mission is to protect the public by requiring competency, accountability, and integrity in the safe practice of medicine by osteopathic physicians and surgeons.

Strategic Goals & Objectives

Goal 1: Licensure: The OMBC requires that only qualified individuals are licensed as osteopathic doctors.

- Investigate the options to implement the Interstate Medical Licensure Compact to streamline the licensing process.
- Investigate the options available through BreEZe to reduce barriers to entry and improve functionality.
- Develop an online portal for documentation submissions to streamline the process and reduce time for licensees.
- Align continuing education audits with the renewal process to reduce confusion among licensees.
- Collaborate with the Office of Information Services (OIS) to schedule a demonstration of BreEZe to view the licensee point of view and better understand how the system operates.
- Research the feasibility of hiring additional staff to improve office efficiencies.
- Implement a board member in-office training to improve board member understanding of office processes.

Goal 2: Enforcement: Protect the health and safety of consumers through the enforcement of the laws and regulations governing the practice of osteopathic medicine.

- Create efficiencies with the Board's internal investigations to reduce case aging.

- Research the concept of the chaperone and set parameters around who can be a chaperone to protect patients and determine best practices.
- Implement cross-training with enforcement staff to improve morale and continuity of work.
- Research technological opportunities to improve workflow, efficiency, and communication between staff.

Goal 3: Outreach and Communication: Consumers and licensees are able to make informed decisions regarding the safe practice of osteopathic medical services.

- Educate licensees on personal responsibilities regarding licensure and ongoing to set expectations.
- Develop presentations and informational videos (e.g., for out-of-state doctors and residents who are considering applying for licensure in California) to explain the application process and provide statistics on the resident population.
- Create a quarterly newsletter as a way for stakeholders to get to know the Board and promote the Board's Listserv and website so that important issues are disseminating to all interested parties.
- Recreate the branding and logo of the Board to better market and educate stakeholders.
- Collaborate with the Office of Public Affairs to develop a marketing plan to improve awareness of the Board, create interest for potential licensees, and allow them to be more engaged with the Board and the community.
- Attend schools, conventions (e.g., medical association events), and other outreach events to be proactive in informing the public and potential licensees about the Board.
- Audit the website and develop content to keep it up-to-date, innovative, and informative, and to drive stakeholders to the website.
- Create a budget change proposal for additional staff who would manage content for the website and update regulations and legislation.

Goal 4: Regulation and Legislation: Monitor and uphold the law, and participate in the regulatory and legislative process.

- Research the feasibility of developing a statute for including anti-discrimination language to allow the Board to take action when complaints arise.
- Explore hiring a consultant or pursuing a dedicated staff person to better track regulations and legislation.
- Collaborate and build relationships with law makers and staffers in order to have a stronger voice and represent the Board.
- Research innovative approaches to disease/medication and create advisory guidelines for legislation and regulations to support best practices.

Goal 5: Board Administration: Build an excellent organization through proper Board governance, effective leadership, and responsible management.

- Research options available to collaborate and utilize SOLID to assist in creating a more cohesive team.
- Implement cross-training with staff for business continuity and efficiency.
- Improve communication using available technology to promote office efficiencies and provide

- better customer service.
- Create a schedule for staff to attend Board meetings to foster a greater understanding of Board processes.
- Update procedure manuals to onboard new employees and prepare for succession planning.
- Develop Board informational materials to provide to DCA staff and help when onboarding new employees.
- Schedule a legal training for the Board to assist members in the decision-making process.
- Develop a Board member orientation packet to provide to new Board members during onboarding.

Control Environment

The Executive Director, Mark Ito, reports directly to a Board of nine members that are appointed by the Governor, the Senate Committee on Rules and the Speaker of the Assembly. Oversight is provided by these nine Board Members. The Board meets at least three times per year. The Board may have additional meetings, if necessary, in order to meet operational needs.

The Board's Executive Management, which includes the Executive Director and Assistant Executive Director, establishes and demonstrates integrity and ethical values by being consistent with the Board's core values of being collaborative, health oriented, inclusive, proactive, diverse, innovative and professional. Additionally, the Board's Executive Management and the Department of Consumer Affairs (DCA) work collaboratively to ensure that Board staff has the ability to report ethical concerns.

The Board's Executive Management ensures appropriate levels of responsibility and authority, and documentation of internal control systems by reassessing the Board's internal processes on an ongoing basis. If an adjustment to the internal processes is necessary, the Board's Executive Management will determine the steps necessary to implement the new process. Any adjustment to the Board's internal processes is communicated to staff during monthly staff meetings.

The Board's Executive Management meets regularly to determine the appropriate staffing level to maintain a competent work force. If the Board determines that additional staff is necessary, Executive Management will initiate the process of drafting a Budget Change Proposal to submit during the budget building process. Additionally, on an ongoing basis, Executive Management assesses each of the Board processes to determine if a redirection of resources is appropriate to maintain operational needs.

The Board's Executive Management meets annually with staff to review their job performance. If necessary, the Board will meet with staff on a more frequent basis. Executive Management encourages staff to utilize resources available through the DCA. These resources, include but are not limited to, training programs and employee assistance.

Information and Communication

The Board has policies in place to collect and communicate information regarding operational, programmatic and financial decision making. Executive Management meets regularly to discuss areas of concern regarding the industry, internal and external risks to the Board, staff performance and accountability and fiscal concerns. The Board utilizes the resources provided by the Department of Consumer Affairs (DCA) to gather valuable information that impacts the Board. Additionally, DCA's administrative staff works collaboratively with the Board to ensure that the Board's mission of protecting

the public is met.

Board Members and Board staff meet at least three times per year in a public setting to handle all matters related to the Board. At the Board Meetings, the Executive Director reports on the effectiveness of the Board's internal control systems, legislation, regulations, fiscal operations and other information that is pertinent to the Board.

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 Osteopathic Medical Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Mark Ito, Executive Director; and Terri Thorfinnson, Assistant Executive Director.

The Board's Executive Director reports risks and risk management strategies to the Board Members at least three times per years during the regularly scheduled public meetings. The following activities are performed to ensure the effectiveness of internal controls:

- Executive management meets regularly to discuss day to day operations.
- Executive management conducts routine staff meetings and occasional one-on-one meetings with staff regarding staff performance and expectations.
- Executive management routinely reviews Board policies to determine if change is needed.

Additionally, the Board and the DCA worked collaboratively to determine performance measures for each of the Board's processes. The performance measures identify the baseline processing time for the Board's processes. Executive management analyzes this information on an ongoing basis to determine if the Board is meeting the timelines identified in the performance measures. If it is determined that there is an issue with processing times, the Board will determine if either a redirection of resources or submitting a Budget Change Proposal is appropriate.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Osteopathic Medical Board of California risk assessment process: executive management.

The following methods were used to identify risks: brainstorming meetings, audit/review results, other/prior risk assessments, and performance metrics.

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

RISKS AND CONTROLS

Risk: Staff Retention/Workforce Succession Planning

The Board does not have a large staff and there are key positions where only one person understands the day to day operations of their particular duties. Additionally, the Board has a new Executive Director (ED) following the retirement of the previous ED who served for many years. If there is additional staff

turnover, the Board would face increased risk of a loss of institutional knowledge.

Control: Creating Desk Manuals

Board staff, including Executive Management, are in the process of creating new procedural manuals. Creating updated procedural manuals will lessen the risk of the Board not fulfilling our mission of protecting the public. The Board is able to utilize process maps developed in collaboration with DCA's Organizational Improvement Office (OIO) in 2018.

Risk: Fi\$cal Impacts to Operations and Decision Making

Accurate and timely revenue and expenditure reports are not currently available from the Fi\$Cal system and this ultimately results in DCA being unable to produce timely reconciled monthly and year-end financial statements to Boards. Specifically, the Board is unable to access timely reports and readily validate the accuracy of data postings. This results in information lags as well as in poor, and inaccurate, real-time reporting to the Board. Further, reports generated from the system often track awkward reconciliation points or contain incomplete or not user-friendly data. Accurate and usable reports are needed to make prudent budget and operational decisions. Special funds often have structural funding concerns, so understanding cash balances and expenditure status is essential. Board staff, as a result, often manually track unresolved Fi\$Cal issues in hopes of providing better real time data to executive level managers. This adds significant staff time, and the manual preparation of reports outside of the system opens the Board up to a larger opportunity for making unintended errors.

Control: Elevating Issues to DCA

The Board is in communication with DCA on a regular basis to resolve open items which include posting corrections, programming concerns, and report suggestions within the system.

Control: Independently Tracking Data

The Board relies on data tracking outside of the Fi\$cal system and regularly works with budget, accounting, and business services staff at DCA to track issues and make forecasting projections. This information is often utilized for meeting materials. Additionally, the Board requests information as needed from DCA to try to identify and fix errors.

Risk: Regulations

The Department of Consumer Affairs issues licenses, certificates, registrations, and permits in over 250 business and professional categories through 37 regulatory entities comprised of boards, bureaus, committees, a program, and a commission. These 37 entities set and enforce minimum qualifications for the professions and vocations they regulate, which requires them to promulgate regulations.

Prompted by an increase in the number of regulations disapproved by the Office of Administrative Law, in late 2016, the Department and the Business, Consumer Services and Housing Agency (Agency) changed the process for reviewing regulations. The resulting enhanced scrutiny from the Department and Agency successfully reduced the number of disapproved regulations because it led to a more thorough examination of regulation packages. But while disapproval rates plummeted, a consequence was lengthened timelines to adopt regulations.

Control: Increasing Staffing Level to Streamline the Process

The Department was authorized in the 2019 Budget Act to hire six attorneys, a senior legal analyst, and a research program specialist II to increase its capacity for developing, reviewing and issuing regulations. The Department's attorneys are being trained by the Office of Administrative Law to review regulations. The Department is also conducting training of all participants in the regulations process to improve regulation packages and timelines. In addition, the Department is developing a department-wide computerized regulation management and tracking system to better track and streamline the review of regulations.

CONCLUSION

The Osteopathic Medical Board of California 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.

Mark Ito, 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