

December 18, 2023

Melinda Grant, Undersecretary
California Business, Consumer Services and Housing Agency
500 Capitol Mall, Suite 1850
Sacramento, CA 95814

Dear Undersecretary Melinda Grant,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Respiratory Care Board of California submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2023.

Should you have any questions please contact Christine Molina, Assistant Executive Officer, at (916) 999-2212, Christine.Molina@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Mission

To protect and serve consumers by licensing qualified respiratory care practitioners, enforcing the provisions of the Respiratory Care Practice Act, expanding the availability of respiratory care services, increasing public awareness of the profession, and supporting the development and education of respiratory care practitioners.

Goal 1: Administration

Enhance organizational effectiveness and improve processes and the quality of customer service in all programs.

Goal 2: Licensing

Ensure initial and continuous competency requirements, commensurate with education, practice standards, and needs, are met by all licensed Respiratory Care Practitioners (RCPs).

Goal 3: Enforcement

Protect consumers by preventing violations and effectively enforcing laws and regulations when violations occur.

Control Environment

The Board consists of nine members: four respiratory care practitioners, four public members and one physician. Three members are appointed by the Governor, the Speaker of the Assembly and the Senate Rules Committee Chair. Members are responsible for establishing policy and overseeing staff performance at a high level. The Executive Officer (EO) and two managers are responsible for staff oversight, implementing policy, and Board operations. The Board has a total of 16 staff members including the EO and managers.

Approximately every four years, immediately following the Board's Legislative Sunset Review, the Board conducts Strategic Planning with staff, Board members and stakeholders. During the process the Board's values are reviewed and edited as necessary. Currently those values include:

Ethical – Possession of the morals and values to make decisions with integrity that are consistent with the Board's mandate and mission.

Diversity – Recognize the rights of all individuals to mutual respect and acceptance of others without biases based on differences of any kind.

Dignity – Conduct business honorably without compromise to the Board or individual values.
Individual Growth – Strive to continually excel and learn both personally and professionally.

Quality – Strive for superior service and products and meaningful actions in serving stakeholders.

Flexibility – Provide sincere considerations of other interests, factors, and conditions and be willing and/or able to modify previous positions for the betterment of the Board and its mandate and mission.

Teamwork – Strive to work cooperatively and in a positive manner to reach common goals and objectives.

Efficiency – Continually improve our system of service delivery through innovation, effective communications, and development, while mindful of the time, costs, and expectations stakeholders have invested.

The Department of Consumer Affairs (Department or DCA) aids in ensuring the Board's control systems are intact.

Financial: Records are maintained and overseen by DCA; however, Board staff also review budget, revenue, and fund conditions routinely to ensure figures are aligned. DCA also requires the approval of expenditures and invoices as well as many other processes that are separated and in accordance with current acceptable accounting standards. Finally, DCA provides cashiering services for the Board.

Personnel: DCA routinely requests updated organizational charts and duty statements. Duty statements are reviewed periodically to ensure they are still current and reflect current duties. The Board also ensures actual hard copy records are secured in accordance with confidential classifications. The office size is small, so communications often involve management, either at staff meetings or as issues arise. Management is proactive and takes on problems, including conducting research to identify problems. In addition, the core processes at the Board include management and executive review. The EO routinely refers to goals and objectives, and all tasks that staff members perform have a purpose that is linked to the Board's mandate and mission to protect consumers. Staff demonstrates a sincere vested interest in the Board's mandate. The turnover rate at the Board is incredibly low. Most staff have been employed at the Board for more than 20 years, and most, if not all, have had experience in multiple units. The low turnover rate contributes to a highly competent workforce. As was noted in the prior

Leadership Accountability report, more than half of the Board's personnel are at or will be at retirement age in the next few years. The Board's Workforce and Succession Plan was completed in March 2021.

Information Technology: All information technology security is overseen by DCA. All staff are reminded of DCA security policies and complete training programs annually. All staff are required to sign acknowledgement of numerous DCA policies.

Internal operations also include separation of duties. All application workflow processes separate cash flow from application processing. All enforcement actions (closing cases or pursuing discipline) require review and approval of management. Applications and enforcement cases are tracked and reviewed by management monthly.

Information and Communication

The Board has oversight by its members, DCA, the California Business, Consumer Services and Housing Agency (BCSH) and the Legislature.

Information is communicated with members by email (as permitted by the Bagley-Keene Open Meeting Act) or at Board meetings held three to four times per year. The EO also stays in regular contact with the Board's President and/or Vice President. Staff report at least annually on the Board's fiscal status and enforcement statistics.

DCA communicates through reports, policies, quarterly meetings, and other meetings for specific matters. Generally, it is the EO and/or one of the managers who attends meetings to collect and share information. Policies and reports are shared with pertinent staff as appropriate.

The Legislature provides an in-depth review of the Board and its operations approximately every four years. The Board's last review was conducted in 2022 and is scheduled for review again in 2026. This review is in depth, with staff and all members involved in this process.

Information collected is either shared with all staff or specific staff as appropriate. If an implementation plan is required, management or the EO will establish the plan and share that as well. The Board EO also holds staff meetings to share activities of the Board, its direction, and review any issues that have arisen.

Because the office size is small, staff can speak with any other individual freely. Board staff have continued this open dialogue when in the office or with more frequent emails since teleworking was implemented in March 2020. Management has a history of addressing concerns immediately (as warranted), fairly and in accordance with DCA policies. All ideas are encouraged, training and continuing education are encouraged, and mutual respect is demonstrated by all staff. The EO accepts honest mistakes and encourages reporting them so action to rectify a problem can be taken immediately.

Communication with other stakeholders is done through correspondence, listserv emails, and the website. All stakeholders are invited to attend Board meetings, strategic planning sessions, and sunset review hearings. The Board's website also includes a link for anyone to submit feedback. On some occasions, the Board may ask the California Association for Respiratory

Care to share information via their email listserv, which includes many management level therapists who will pass on information to their staff. The Board also uses direct email with program directors of respiratory education programs to share new information that may impact existing students or new students.

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 Respiratory Care Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Christine Molina, Assistant Executive Officer; Stephanie Nunez, Executive Officer.

The Board utilizes a variety of activities to ensure the effectiveness of internal controls in each unit. Each program (Administration, Licensing and Enforcement) is responsible for instituting controls over its processes and programs, and for ensuring appropriate management review and approval. Such controls include monitoring implementation plans, reconciliations, performance indicators, and monthly review of statistical data.

The Board's control systems are periodically reviewed by the DCA's Internal Audit program. In addition, the Board is reviewed every four years by the Senate and Assembly Sunset Review Committees. Both processes allow the Board to identify opportunities for continuous improvement.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Respiratory Care Board of California risk assessment process: executive management, and middle management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, and external stakeholders.

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

RISKS AND CONTROLS

Risk: Asset Management

In 2023, DCA's Internal Audit Office conducted an Asset Management Process audit to determine if (the Board and other DCA entities) had processes and controls to adequately safeguard assets and ensure all assets are properly accounted for and protected.

The audit disclosed that while DCA issued appropriate policies and procedures, they are not clear and do not provide guidance to ensure that assets follow an appropriate asset life cycle. The Board recognizes DCA is working on updating its existing asset management policy and procedures to ensure the information is up-to-date, clear, and user friendly.

Control: Update DCA Asset Management Policies (BSO 15-01)

Once the policy, procedures, and training are updated by DCA, the Board will implement to ensure its adherence to all requirements.

Control: Training

The Board's designated Program Liaison will attend the Department's Asset Management Process training for designated Program Liaison(s) once the departmental policy and procedures are updated.

Control: Offboarding Process

RCB will adhere to formal processes developed, implemented, and deployed for onboarding/offboarding DCA employees.

Control: Reconciliation of Assets

RCB will conduct a physical inventory and reconciliation of assets using the BSO report at least once every 3 years and/or on an annual rotating basis.

Control: Telework Agreements

RCB strives to ensure all telework agreements list all asset tags for equipment assigned to its teleworkers.

Control: Record Retention

RCB will update the records retention schedule to include procurement/asset management documents.

Control: Missing Asset

An internal audit disclosed that one of the ten assets selected for review could not be found nor could the Board locate any procurement or surveyed documents related to the asset. DCA BSO should establish a single unified tracking database to be used to track assets department-wide. This process should include the life cycle of an asset from the acquisition to its eventual disposition.

CONCLUSION

The Respiratory Care 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.

Stephanie Nunez, Executive Officer

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