

December 31, 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 Physician Assistant Board 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 Rozana Khan, Enforcement Analyst, at (916) 561-8783, Rozana.Khan@mbc.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the Physician Assistant Board (Board) is to protect and serve consumers through licensing, education, and objective enforcement of the Physician Assistant laws and regulations. The Board developed its Strategic Plan for 2019-2023, which is available on the Board's website. The plan contains six goal statements and detailed strategies for meeting those goals. The goal areas are as follows:

1. Workforce

Address and promote physician assistant workforce needs.

2. Licensing & Professional Qualifications

Promote licensing standards to protect consumers and allow reasonable access to the profession and ensure that licensees medical knowledge is current.

3. Legislation, Regulation, & Policy

Ensure that statutes, regulations, policies, and procedures strengthen and support the Board's mandate and mission.

4. Communication & Outreach

Inform consumers, licensees, applicants, and other stakeholders about the practice and regulation of the physician assistant profession in an accurate, accessible manner.

5. Enforcement

Protect the health and safety of consumers through the enforcement of the laws and regulations governing the practice of physician assistants.

6. Administration

Build an excellent organization through Board governance, effective leadership, and responsible management.

Control Environment

The control environment reflects the values of an organization—the atmosphere in which people conduct their activities and carry out their control responsibilities. As such the Board recognizes the importance of maintaining an adequate and effective control environment over its operations. The Board has taken numerous steps to enhance its control environment which includes: establishing and effectively communicating written policies and procedures to promote appropriate ethics and values within the organization; ensuring highest level of effective organizational performance management and accountability; communicating risk and control information to appropriate areas of the organization; and, coordinating the activities of and communicating information among executive office and reporting entities.

The Board is committed to fulfilling its mission and vision and is focused on statutory and regulatory mandates for consumer protection. By continually re-evaluating its business operations and systems, the Board has improved its infrastructure and is always exploring new ways of doing business and delivering quality services to consumers, applicants, licensees, and other stakeholders. As part of the Board's commitment to maintaining an adequate and effective control environment the Board through its Strategic Plan has a set of Core Values that drive the conduct of the Board and functions as a guide to the development and implementation of all policies and actions. The Board operates from the following Core Values that guide in meeting its mission:

Accountability – We are accountable to the people of California and each other as stakeholders. We operate transparently and encourage public participation in our decision-making whenever possible.

Customer Service – We acknowledge all stakeholders as our customers, listen to them, and take their needs into account.

Effectiveness – We make informed decisions that make a difference and have a positive, measurable impact.

Efficiency – We diligently identify the best ways to deliver high-quality services with the most efficient use of our resources.

Employees – We are an employer of choice and strategically recruit, train, and retain employees. We value and recognize employee contributions and talent.

Integrity – We are honest, fair, and respectful in our treatment of everyone, which is demonstrated through our decision-making process.

Unity – We draw strength from our organizational diversity as well as California's ever-changing cultural and economic diversity.

The Board appoints an Executive Officer to oversee five full-time employees that support the following major Board functions:

- Licensing: Reviewing applications for licensure and issuing licenses.

- Enforcement: Reviewing and investigating complaints; disciplining physician assistants who violate physician assistant laws and regulations.
- Education: Educating consumers, licensees, physicians, and interested parties regarding physician assistant practice.
- Regulatory: Reviewing and updating laws and regulations regarding consumer protection and physician assistant practice.
- Diversion: Administering a drug and alcohol monitoring program for licensees with chemical dependency issues.
- Administration: Providing administrative services supporting the operational functions of the Board.

Together, all of these functions protect the health and safety of Californians.

Information and Communication

The Board is highly focused on its core mission. The Board consists of nine members who serve four-year terms and may be reappointed; an Executive Officer (EO) appointed by the Board and five full-time employees. Board members play a critical role as policy and decision makers in licensing requirements, disciplinary matters, approval of physician assistant training programs, contracts, budget issues, legislation and regulatory proposals, and consumer and public outreach. Committees serve as an important component of the Board to address specific issues referred by the public, the Legislature, the Department of Consumer Affairs (DCA), or recommended by staff. Committees are generally composed of at least two Board members who are charged with gathering public input, exploring alternatives to the issues, and making a recommendation to the full Board. The Board does not have committees established by statutes or regulations, but the President may appoint task forces and committees as issues arise. The Board currently has the Legislative Committee, which serves to identify legislation that the Board may want to be notified of and/or take a position on, Education Committee, and Budget Committee. The structure of the Board allows frequent communication between Executive Officer and staff on a daily basis. The EO informs the staff of any policy or procedure changes needed to assist in the mitigation of vulnerabilities. In addition, the Board's Strategic Plan, is a key mechanism used for communicating about risks and responses and for tracking progress. Board staff ensures all its duty statements are up-to-date and include all position responsibilities, including those related to monitoring and implementation of Strategic Plan action items and other internal controls.

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 Physician Assistant Board monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Maureen Lynn Forsyth, Executive Officer.

The Board through ongoing monitoring, reviews, evaluates and improves its internal controls and monitoring processes. The Board implemented its 2019-2023 Strategic Plans, which identifies 6 specific and measurable strategic goals for each of the Board's programs: Workforce, Licensing & Professional Qualifications, Legislation, Regulation, & Policy, Communication & Outreach, Enforcement

and Administration. The goals represent the Board's commitment to fulfilling its mission and vision and the focus on statutory and regulatory mandates for consumer protection. The Board requires reports from each program on a quarterly basis. The reports provide necessary checks on internal controls by identifying the monitoring practices being conducted, improvements needed, and the overall success or weakness within the program. As vulnerabilities are identified, the Executive Officer immediately addresses them by working directly with key staff to develop and implement solutions.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Physician Assistant Board risk assessment process: executive management, and staff.

The following methods were used to identify risks: brainstorming meetings.

The following criteria were used to rank risks: potential impact to mission/goals/objectives.

RISKS AND CONTROLS

Risk: Resource Management-Budgeting

Due to the increase in the number of Board cases referred to the Attorney General's (AG) office, complexity of the cases and an increase in AG fees, the Board has continuously overspent its AG Services line item allocation.

Control: Budget Monitoring

The Board continues to monitor the budget and works closely with its DCA budget analyst to ensure that adequate funds are available for continued prosecution of cases. As required, the Board seeks budget augmentations to ensure adequate funds are available for continued prosecution of cases.

Risk: Staff-Key Person Dependence, Succession Planning

Eventual retirement of senior staff could create an institutional knowledge loss which may impact the Board's operations.

Control: Staff Training

Staff are being cross-trained to assist in knowledge transfer. Staff are updated and included in many policy decisions impacting the Board, thus encouraging a broader knowledge of Board operations and processes. Senior staff updates staff on why decisions are made to assist in educating them on how outcomes are evaluated and decided. Staff are encouraged to apply for promotional opportunities within the Board as staff retire or promote out of the Board.

Risk: BreEZe Training

If proper training is not provided, Board staff will not receive accurate reports, which affect performance measures.

Control: BreEZe Updates

Continue to identify and request BreEZe codes through SIRS. Management and senior staff works with staff to ensure correct codes are input until proper training is provided. Create a procedure manual and inform staff of upcoming BreEZe trainings through the Department of Consumer Affairs SOLID training unit.

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, DCA 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: Regulation Process

DCA 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 DCA 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 Physician Assistant Board 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.

Maureen Lynn Forsyth, Executive Officer

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