

December 27, 2021

Lourdes M. Castro Ramirez, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Secretary Lourdes M. Castro Ramirez,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Acupuncture Board submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Benjamin Bodea, Executive Officer, at (916) 599-0218, Ben.Bodea@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

Mission

To protect the people of California by upholding acupuncture practice standards through the oversight and enforcement of the Acupuncture Licensure Act.

Vision

The exemplary practice of acupuncture for the health and safety of the people of California.

Strategic Plan Goals

Goal 1: Licensing

Establishes and maintains licensing requirements that protect consumers through improving standards in licensing examination, continuing education, and access to the profession.

1. Develop and implement a computerized licensing examination to increase access and facilitate entry into the profession.
2. Seek legislative or regulatory authority to require a passing Test of English as a Foreign Language (TOEFL) score for applicants who have completed their education in a language other than English to enhance communication with the healthcare industry.
3. Research the feasibility of establishing a clinical inspection program to promote compliance with the laws and regulations governing the practice of acupuncture in California
4. Improve pocket license material quality to reduce fraudulent activity.

Goal 2: Enforcement

Protects the health and safety of consumers through the enforcement of the laws and regulations governing the practice of acupuncture.

1. Develop and implement the continuing education provider audit process to increase compliance.
2. Recruit additional Subject Matter Experts (SMEs) to meet the needs of the Examination, Enforcement, and Education Units to increase enforcement resources.
3. Research the feasibility of requiring licensees to maintain medical records in English to facilitate enforcement efforts and increase accessibility.
4. Update the Board's Disciplinary Guidelines to preserve consistency, fairness, and ensure effective consumer protection when taking disciplinary actions against licensees.
5. Amend regulations to implement the Uniform Standards Regarding Substance-Abusing Healing Arts Licensees, developed pursuant to Senate Bill No. 1441 (2007-2008 Sess.), to safeguard the health and safety of licensees and consumers.

Goal 3: Education

Advance education standards to increase the quality of education and ensure consumer protection.

1. Research and develop transfer credit evaluation policies and procedures to ensure compliance with education requirements.
2. Conduct a cost analysis on training program curriculum application reviews to properly allocate costs and ensure training program compliance.
3. Review current curriculum standards to ensure it prepares licensees for entry-level practice and consumer safety.
4. Define what constitutes "live continuing education courses" to ensure that hands-on training for continuing education in treatment methods is received in the proper setting with the appropriate supervision to practice on the public.

Goal 4: Legislation and Regulation

Legislation and Regulation advocates for statutes and adopts regulations, policies, and procedures that strengthen and support its mandate, mission, and vision.

1. Recommend legislation relating to the number of times an applicant can take the examination for licensure to reduce fraud and enhance qualification of licensees.
2. Investigate the feasibility of obtaining site inspection authority of licensees to increase enforcement resources and access.
3. Seek legislative citation authority over curriculum violations of training programs to enforce existing curriculum requirements established in regulation.
4. Review and update regulations to align with existing statutory requirements.

5. Research and seek amendments to Business and Professions Code section 4935, subdivision (a)(2) to increase the penalty for violations to be equivalent with the penalty provided by Business and Professions Code section 585 and to further deter violations and enhance consumer protection.

6. Implement a continuing education course and monitoring fee structure pursuant to Business and Professions Code section 4945, subdivision (b) to allocate the cost of the process to the continuing education provider applicant.

Goal 5: Outreach

Educates consumers, licensees, and stakeholders about the practice and regulation of the acupuncture profession.

1. Develop and implement a communications plan to inform the public about the practice and regulation of the acupuncture profession.
2. Develop and release a digital newsletter to inform, educate, and update the public on the practice of acupuncture in California.
3. Determine and communicate licensing reciprocity to and from California to convey California's standards to the public and ensure consumer protection.
4. Update and publish an informational brochure to educate the public on the standards of practice.

Goal 6: Board Administration

Continues to build and maintain an excellent organization through the development of staff, responsible management, strong leadership, and effective Board governance.

1. Conduct a yearly workload study to ensure adequate staffing levels.
2. Map the Board's business processes to procure an information technology system that addresses the Board's functions.
3. Conduct a fee study at the appropriate time to address the Board's budgetary structural imbalance.
4. Respond to the Department of Consumer Affairs' routine internal audit to address any findings.
5. Expand targeted training and materials to educate Board members on Board governance and subject matter.

The Board does not have a working document for workforce planning but does conduct analyses, forecasts, and planning based on supply and demand, business needs, assessing gaps, and recruiting talent based on these needs. The Board produced a fee audit report in 2019 providing a cost-based accounting of a number of these items and used this to address the Board's workforce planning.

Control Environment

- Board Management demonstrates the importance of integrity and ethical values by modeling them through directives, attitudes, and behavior.

- The Board engages in oversight via the management team, executive officer, executives at the Department of Consumer Affairs (DCA or Department), and the Department's Office of Internal Audits.
- The Board has an organizational chart establishing the structure of the Board, which is reviewed by management on a quarterly basis, and by the Department's Office of Human Resources with every employment change and on a monthly basis.
- The Board maintains a current office expectations document that management reviews on a quarterly basis, providing updates as needed and tracking the revision date. Each revision is reviewed, agreed to, and signed by all staff.
- Board Management conducts annual one-on-one performance evaluations, creates annual Individual Development Plans, and holds weekly unit meetings (Enforcement, Licensing, Admin, Policy). These meetings inform management of how to use Board resources to address staff needs (training).
- Management holds Board personnel accountable for performing their assigned responsibilities. The Department, in turn, holds management and the Board accountable for its internal control responsibilities.
- Management actively engages in staff development starting with recruitment, moving through active monitoring of performance, encouraging individuals to take training, and providing mentorship for both Board employees as well as employees within the Department.
 - Management actively engages in its recruitment process. With a clear understanding of the Board's operational needs, management is able to scrutinize applicants' qualifications, develop applicant screening tools, and create communications and job advertisements to attract the desired qualifications. Thus, if there are no qualified applicants, the Board will re-advertise rather than select an unqualified applicant.
 - Management actively monitors employee performance via weekly standing meetings in the respective unit, as well as weekly check-in meetings with individual employees. All staff meetings are also conducted on a quarterly basis, or as needed.
 - Management supports and encourages staff to take training courses that will facilitate, and explore, areas of expertise. These are offered by the Department, as well as in-house (Board specific), and with external vendors (Office of Administrative Law, Department of General Services, CLEAR, etc.). Management strongly encourages employee participation in the Department's mentorship program, where employees of all classifications have access to successful leaders in the Department, as well as the Department's Future Leadership Development (FLD) program. The FLD program allows candidates the opportunity to work with other executives at the Department, as well as the opportunity to meet and learn about key actors and agencies in state government. Not only does management encourage participation in the previous two programs but they are actively engaged as mentors to the participants in those programs.

Information and Communication

- Board Management identifies information requirements in an ongoing process that occurs throughout an effective internal control system. As the Board and its objectives and risks change, Board management changes information requirements as needed to meet these

- modified objectives and address these modified risks.
- Board Management communicates internally and externally via the following channels:
 - Regular individual and unit (Licensing, Enforcement, Administration, Policy) meetings.
 - Across Organizational lines: the Board has designated Department contacts it works with, Board Management participates in Department functions where all Boards/Bureaus, or a sample, discuss department-wide impacts/concerns, for example, Future Leadership Development Program, Legislative Roundtable, Licensing, and Enforcement Workgroups, and regular mandated training. Additionally, Board staff have access to and utilize Department experts, either scheduled by the Department or initiated by Board staff/management.
 - External Stakeholders: Website and email distribution of Board activities and meetings. The Board hosts and attends stakeholder meetings.
 - Reporting of inefficiencies and inappropriate actions to management:
 - Staff is encouraged to provide observations of problems and possible solutions to management privately, via email, or at staff meetings. Management also provides the Whistleblower hotline information to staff for anonymous reporting.

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 Acupuncture Board monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Benjamin Bodea, Executive Officer.

Board management validates the effectiveness of Internal Control Systems by:

- Holding weekly unit meetings, reviewing weekly reports, and serial group review of outgoing documents.
- Annual reporting requirements from State and Department (such as performance-based budgeting, enforcement performance measures, licensing performance measures).
- The Board utilizes staff from the non-targeted unit to review processes.
- Board management utilizes Department and Agency experts to review performance indicators.
- The Board Members review all staff final products at Board Meetings.
- Unit coordinators (as experts in their domain) are responsible for daily review and analysis, as well as presentations to management at weekly meetings. Management then reviews for conflicts and vulnerabilities before issuing corrective measures/process adjustments.
- Management continues to check-in weekly as process adjustments are deployed.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Acupuncture Board risk assessment process: executive management, and front line management.

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, performance metrics, and other.

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

RISKS AND CONTROLS

Risk: Business Modernization

The Board is engaged in the development and implementation of new licensing and enforcement modules in a partnership with three other Department programs. The Board is working with the Department, vendor, and the California Department of Technology Oversight team to ensure that development and implementation delays are addressed promptly. A delay in the implementation of the Business Modernization project may increase the Board's workload as the Board would not be able to receive credit card payments. This process would then require the manual cashiering of checks and a continued dependence on paper application processing. A delay may also require the Board to have to work in both the old and new software platforms to ensure the data is accurate. These possible increased workloads may increase licensing application processing times, as well as negatively affect enforcement performance measures.

Control: Business Modernization Development Oversight

The Board is working with the Department, vendor, and the Department of Technology Oversight team to ensure that development and implementation delays are addressed promptly.

Board management have prepared a pull system, where staff from other program sections can be quickly pulled in to address current business needs, to put in place should delays occur.

Risk: Pandemic Related Response

The COVID-19 pandemic has created impacts to internal communication methods and timing, collaboration, teamwork, camaraderie, morale, employee well-being, mental health, and changes to employee childcare and eldercare circumstances.

Control: Active Monitoring

Board management continues to check in with staff with one-on-one and team meetings to ensure staff can communicate their needs so that management may balance them with the Board's business needs.

CONCLUSION

The Acupuncture 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.

Benjamin Bodea, 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