

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 Acupuncture Board 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 Benjamin Bodea, Executive Officer, at (916) 599-0218, Ben.Bodea@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

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

Licensing Goals:

- 1.1 Develop and implement a computerized licensing examination to increase access and facilitate entry into the profession.
- 1.2 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.
- 1.3 Research the feasibility of establishing a clinical inspection program to promote compliance with the laws and regulations governing the practice of acupuncture in California.
- 1.4 Improve pocket license material quality to reduce fraudulent activity.

Enforcement Goals:

- 2.1 Develop and implement the continuing education provider audit process to increase compliance.
- 2.2 Recruit additional Subject Matter Experts (SMEs) to meet the needs of the Examination, Enforcement, and Education Units to increase enforcement resources.
- 2.3 Research the feasibility of requiring licensees to maintain medical records in English to facilitate enforcement efforts and increase accessibility.
- 2.4 Update the Board's Disciplinary Guidelines to preserve consistency, fairness, and ensure effective consumer protection when taking disciplinary actions against licensees.
- 2.5 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.

Education Goals:

- 3.1 Research and develop transfer credit evaluation policies and procedures to ensure compliance with education requirements.
- 3.2 Conduct a cost analysis on training program curriculum application reviews to properly allocate costs and ensure training program compliance.
- 3.3 Review current curriculum standards to ensure it prepares licensees for entry level practice and consumer safety.
- 3.4 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.

Legislative and Regulatory Goals:

- 4.1 Recommend legislation relating to the number of times an applicant can take the examination for licensure to reduce fraud and enhance qualification of licensees.
- 4.2 Investigate the feasibility of obtaining site inspection authority of licensees to increase enforcement resources and access.
- 4.3 Seek legislative citation authority over curriculum violations of training programs to enforce existing curriculum requirements established in regulation.
- 4.4 Review and update regulations to align with existing statutory requirements.
- 4.5 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.
- 4.6 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.

Outreach Goals:

- 5.1 Develop and implement a communication plan to inform the public about the practice and regulation of the acupuncture profession.
- 5.2 Develop and release a digital newsletter to inform, educate, and update the public on the practice of acupuncture in California.
- 5.3 Determine and communicate licensing reciprocity to and from California to convey California's standards to the public and ensure consumer protection.
- 5.4 Update and publish an informational brochure to educate the public on the standards of practice.

Board Administration Goals:

- 6.1 Conduct a yearly workload study to ensure adequate staffing levels.
- 6.2 Map the Board's business processes to procure an information technology system that addresses the Board's functions.
- 6.3 Conduct a fee study at the appropriate time to address the Board's budgetary structural

imbalance.

6.4 Respond to the Department of Consumer Affairs' routine internal audit to address any findings.

6.5 Expand targeted training and materials to educate Board members on Board governance and subject matter.

Control Environment

- Management establishes and demonstrates integrity and ethical values
- Oversight is provided by a board, outside entity, or top executive
- The entity ensures appropriate levels of responsibility and authority, and documentation of internal control systems
- Management recruits, develops, and maintains a competent workforce
- Management evaluates performance and enforces accountability

Information and Communication

- Information requirements are established and met with reliable and relevant sources
- Quality information is communicated to internal parties within the entity
- Quality information is communicated to external parties

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.

- Monitoring activities are performed, documented, and measured against a baseline
- Management evaluates results and ensures appropriate corrective actions are implemented and documented

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, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, and performance metrics.

The following criteria were used to rank risks: likelihood of occurrence, potential impact to mission/goals/objectives, and timing of potential event.

- Management establishes clearly defined objectives to enable identification of risks and definition of risk tolerances
- Management identifies, analyzes, and responds to risks.
- Potential for fraud is considered when identifying, analyzing, and responding to risks.

RISKS AND CONTROLS

Risk: Enforcement Module Development

Enforcement will slow down due to development of a new enforcement module in the business modernization project since the analysts will be used for system testing throughout development and the Board will be working with the DCA's Office of Information Services and the module software developers/vendors; creating multiple points of external risk.

Control: Monitoring Performance Measures

Management will monitor enforcement performance measures to ensure the Board meets the minimum recommended timelines.

Management will continue to monitor module development with external partners to ensure timely completion and make resources available as needed.

Control: Limited Term Enforcement Analyst

Should performance measures drop close to minimum recommended timelines, a limited term analyst position should be sought after to allow for continued enforcement operations.

Risk: Funding

Special Fund Revenue decrease due to a decreasing licensing population.

Control: Budget Monitoring

Monitor program revenues and expenditures and licensing population to ensure sufficient funds and be ready to address fee changes through the regulatory authority provided by statute in the last fee increase (2020).

Risk: Staff Recruitment

Finding staff that meet the Minimum Qualifications - Recent attempts to fill vacancies have resulted in multiple advertisements for the same position to create a sufficiently sized pool to work with. Such extended periods of vacancies creates backlogs and can lead to timeline and compliance challenges.

Control: Ongoing monitoring

Continue to monitor recruitment actions closely to ensure a good pool to recruit from that meets the minimum qualifications.

Risk: Excessive Leave Balances

Two managers have leave in excess of the maximum allotted for managerial employees. These hours are challenging to reduce due to the operational need in the last few years which has

prevented the use of leave. Should these employees transfer or retire, these leave balances are in excess of 800 hours.

Control: Planned Leave

Management will monitor workload to schedule time off smartly to reduce Leave Balance (if it is the managers desire).

Control: Leave Buy Back

Should leave continue to be challenging to reduce voluntarily, managers will be encouraged to consider the leave buy back program that the department offers depending on its budget health.

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, Assembly]
California State Auditor
California State Library
California State Controller
Director of California Department of Finance
Secretary of California Government Operations Agency