

January 04, 2024

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 California Board of Occupational Therapy 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 Heather Martin, Executive Officer, at (916) 263-2294, Heather.Martin@dca.ca.gov.

## **GOVERNANCE**

### **Mission and Strategic Plan**

**MISSION:** To protect California consumers of occupational therapy services through effective regulation, licensing and enforcement.

**VISION:** The Board, as a model consumer protection agency, aspires to be recognized for our valued commitment to all our stakeholders.

#### **Goal 1: Applicant Qualifications**

The Board ensures those seeking licensure meet minimum standards of conduct, education, fieldwork, and examination.

#### **Goal 2: Enforcement**

The Board enforces the laws and regulations governing occupational therapy practitioners by effectively investigating complaints, non-compliance, and irregularities, and concludes with an appropriate response.

#### **Goal 3: Laws and Regulations**

Laws and Regulations - The Board modifies, implements, and enforces statutes and regulations that strengthen and support the Board's mandate and mission.

#### **Goal 4: Outreach and Communication**

Outreach and Communication - The Board strives to increase communication, education and outreach efforts to consumers, applicants, licensees, and other stakeholders regarding laws, regulations, and the practice of occupational therapy.

#### **Goal 5: Organizational Effectiveness**

Organizational Effectiveness - The Board strives to build an excellent organization through proper Board governance, effective leadership, and responsible management by securing necessary funding and ensuring timely staff responses and actions.

### **Control Environment**

The Board sets the foundation for a strong and effective control environment through its policy directives and implementation by the Board-appointed executive officer (EO) and management team. The Board's values include consumer protection, efficiency, fairness, integrity, commitment, and transparency. These values are expected of, and demonstrated daily, by the EO, management team, and all staff.

Through strong leadership, the EO and management team demonstrate integrity and consistency by adhering to applicable laws and regulations, establishing a safe and supportive work environment, using data to guide decision making and policies, setting expectations for staff. This has helped the Board meet or exceed performance metrics established for enforcement and licensing activities.

While the EO ensures appropriate levels of responsibility and authority, the management team recruits, develops, and maintains a competent workforce and evaluates performance to ensure accountability.

### **Information and Communication**

Verbal and written communication is used with both internal and external stakeholders. This could include outreach opportunities, use of List Serve and Interested Parties mailing and emailing lists, and social media (Facebook, Twitter, and Instagram), etc.

Inefficiencies or inappropriate actions can be reported by employees verbally or in writing.

Information systems relied upon for operational, programmatic, and financial information, include Fi\$Cal and BreEZe.

### **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 California Board of Occupational Therapy monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Heather Martin. .

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To ensure the effectiveness of internal control systems, the Board routinely tracks key performance indicators and holds meetings (one-on-one or group, as appropriate) to discuss outcomes and seek input for process improvements or increased efficiency. Board staff also run various reports to identify discrepancies and reconcile any irregularities or outliers; these

reports also identify vulnerabilities and assist management with responding to performance areas needing improvement.

## **RISK ASSESSMENT PROCESS**

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

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, 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, and potential impact of remediation efforts.

The following personnel were involved in the Board's risk assessment process: executive management and staff.

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

The following criteria were used to rank risks: likelihood of occurrence and potential impact of remediation efforts.

## **RISKS AND CONTROLS**

### **Risk: Inadequate Pool of Expert Witnesses**

The Board relies on expert witnesses (aka practice reviewers) to review information regarding alleged practice violations. Expert witnesses are licensees who are contracted by the Board to provide a high level of practice-related expertise. They review information (e.g., medical records, billing information, etc.) and provide an objective evaluation and render a written opinion on whether a deviation in practice standards or a violation has occurred. The risk of not having an adequate pool of Experts with experience in the various areas of practice (pediatrics, rehabilitation, private practice, hand therapy, wellness, mental health, etc.) could delay the administrative discipline process and thereby jeopardize public safety. The cause of this risk can be attributed to the numerous areas of practice, some of which are identified above, that encompass occupational therapy, geographic proximity, and perceived negative implications and repercussions in rendering an opinion on a fellow colleagues' practice.

### **Control: Outreach to Potential Expert Witnesses**

The Board has provided information on its website regarding how a practitioner can become an expert witness. This includes the qualification requirements, a video of a licensee explaining the process, and the application process.

The Board also uses social media along with outreach opportunities such as attending the annual conference and speaking with large employers, to inform the occupational therapy population of the need for their expertise and the opportunity to assist the Board with its consumer protection mandate.

**Risk: Inadequate Committee Volunteers**

The Board relies on licensed practitioners to volunteer and participate on committees that are tasked with reviewing and making recommendations to the Board on matters relating to legislation and regulations, developing consumer and licensee outreach projects, and providing recommended responses and guidance to staff on various practice issues and questions submitted by licensees and consumers.

**Control: Increased Outreach to Licensees**

Board staff asked the Board members to utilize their network of professional colleagues to recruit qualified volunteers for the committees. Board staff utilizes social media, outreach opportunities and in person communication with the public attendees at Board meetings to express the importance of their voice and contribution to the occupational therapy profession.

**Risk: Structural Fund Imbalance**

The Board's fee structure and revenue collected annually does not support the cost of operations. This has resulted in a structural fund imbalance, with the months of operating reserves continuing to dwindle, there is potential adverse impact to the licensing and enforcement operations.

**Control: Fee Increase**

The Board has continually monitored revenue collected, expenditures, and impact to the fund condition for many years. Underspending the Board's budget to revert funds is not sustainable and is insufficient to address the fund reserves. Based on projections, without an increase in revenue, the Board's fund reserve will be depleted by FY 2025-26. The Board's ad Hoc Budget Committee proposed new fees and fee increases, which the Board adopted. At its November 2023 meeting, the Board tasked the ad Hoc Budget Committee with reevaluating previously approved fees and to make a new recommendation to the Board.

**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: Remediate Audit Recommendations**

Once the policy, procedures, and training are updated by DCA, the Board will implement to ensure its adherence to all requirements, including attending training, conducting a physical inventory at the required intervals, and tracking all assets as mandated.

**CONCLUSION**

The California Board of Occupational Therapy 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.

**Heather Martin, 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