December 27, 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 Board of Psychology 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 Jeffrey Thomas, Assistant Executive Officer, at (916) 574-7116, Jeffrey.thomas@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Mission of the Board of Psychology (Board) is to protect consumers of psychological services by licensing psychologists, regulating the practice of psychology, and supporting the evolution of the profession.

The Strategic Goals of the Board are 1) Licensing 2) Continuing Professional Development 3) Policy and Advocacy 4) Enforcement 5) Outreach and Education 6) Board Operations

Licensing - The board establishes pathways to obtain and maintain a license to provide psychological services in California.

Continuing Professional Development - The board ensures that licensees maintain competency to practice psychology in California.

Policy and Advocacy - The board advocates for statutes and develops regulations that provide for the protection of consumer health and safety.

Enforcement - The board investigates complaints and enforces the laws governing the practice of psychology in California.

Outreach and Education - The board engages, informs, and educates consumers, licensees, students, and other stakeholders about the practice of psychology and the laws that govern it.

Board Operations - Board members and staff work together to maintain the resources necessary to implement the board's mission and meet its goals.

Control Environment

Office Guidelines and Employee Expectations are read and understood by all staff joining the Board and are updated as needed.

The Board has a reporting structure which includes the Department of Consumer Affairs (DCA) and the Business, Consumer Services, and Housing Agency (Agency).

The Board's organizational structure consists of three separate units with a front-line manager over each of the units. Each manager reports to the Assistant Executive Officer, who reports to the Executive Officer. The Board's Executive Officer in turn reports to the Board.

The Board has established an Administrative Procedures Manual for conducting Board business. Given the proper resources, the Board would develop a similar tool for use by staff to enhance existing procedure manuals.

The Board establishes relevent selection criteria and interview questions when recruiting to fill staff vacancies. The Board collaborates with the DCA Office of Human Resources to ensure eligibility is met. The Board encourages all staff to seek job-related and upward mobility training.

Staff has regular one-on-one meetings with their direct supervisor to clearly articulate expectations and reliably communicate concerns about the ability to meet deadlines.

Information and Communication

On a quarterly basis, staff communicates with the Board about operational, programmatic, and financial updates.

Internally, the Board has a multi-level communications strategy which includes regular unit meetings, monthly all-staff meetings, monthly email communication from the Executive Officer to the Board, and quarterly management meetings. Externally, the Board produces a quarterly newsletter, maintains accounts on Facebook and Twitter, and regularly updates its website. Lastly, the Board conducts its quarterly Board meetings in various locations across the state to encourage participation from stakeholders. These meetings are frequently available as live webcasts.

Staff are able to report programmatic concerns and inefficiencies to management at staff meetings, unit meetings, and biweekly one-on-one meetings with their direct supervisor.

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 Board of Psychology monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Antonette Sorrick, Executive Officer; and Jeffrey Thomas, Assistant Executive Officer.

The Board routinely meets one-on-one with staff to identify programmatic problems to enable management to respond to vulnerabilities.

Management performs ongoing reviews of completed staff work. The Board conducts an annual evaluation of the Executive Officer's performance, which reflects on the program's overall performance. The Board periodically undergoes comprehensive review of operations by external entities, such as

DCA, the Bureau of State Audits, and the State Legislature (Sunset Review).

Program assessment is routine and ongoing, providing almost constant opportunity for program improvement as vulnerabilities are identified. As vulnerabilities are identified, appropriate staff is assigned to ameliorate the vulnerability.

RISK ASSESSMENT PROCESS

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

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, and consideration of potential fraud.

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

RISKS AND CONTROLS

Risk: Building Security

The security protocol for entrance to the building is inadequate and allows easy access to the building to any individual with potential malintent. The security personnel at the building does not utilize consistent screening for members of the public entering the site.

The welfare and safety of employees and visitors to the Department is potentially jeopardized.

Control: Request for Enhanced Security Protocol

The Board has reported concerns to Division of Investigation, Special Operations Unit and the DCA Executive Office.

Control: Panic Button

Staff has inside access to a panic button that would immediately summon the CHP to the building.

Risk: Maintenance of Quorum

In the event of a lack of quorum, the Board would be unable to meet to conduct Board business.

Appointing authorities may not always make timely appointments, preventing the Board from establishing quorum. Illness or injury may also prevent full participation and may jeopardize the ability to establish a quorum.

Failure to establish a quorum could result in the Board losing jurisdiction in disciplinary cases and prevent it from fulfilling its statutory mandates.

Control: Communication with Appointing Authorities

Executive Staff maintains regular communication with DCA and Agency regarding quorum

concerns.

Regular communication ensures that all parties are aware of potential risk of a lack of quorum.

Risk: Building Becomes Uninhabitable

In case of natural disaster that makes the building uninhabitable, the Board would likely be unable to conduct business.

Staff would be unable to access licensing, renewal, CE, and complaint files.

Control: PaperLite

The Board is moving toward a PaperLite system for initial licensing and renewal applications. "PaperLite" is how the Board refers to its ongoing reduction of printed paper materials in an effort to be more environmentally-friendly and cost-efficient. A key component of this strategy is to move several critical licensing and renewal functions online while also retiring the paper versions.

Control: VPN Access for Staff

Collaborate with the DCA Office of Informational Services (OIS) to develop protocol for establishing remote VPN for staff to access BreEZe system.

Risk: Staff Recruitment and Retention

Staff expert is relied upon exclusively without any backup to assist in their absence.

As a small program, the Board has limited resources to build in training redundancies. Limited positions create challenges for crosstraining backup staff.

Long-term absences or vacancies create work-stoppages.

Control: Organizational Process Mapping

The Board is in the process of working with DCA to assess workflow.

The aim of this assessment is to generate process maps, identify process efficiencies, and to quantify staff workload. This will identify staffing needs and assist in succession planning.

Control: Increase Staffing/Resources

Once the program assessment is completed, the Board can seek authority for additional staff as determined by the assessment through the Budget Change Proposal (BCP) process.

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

Prompted by an increase in the number of other board regulations disapproved by the Office of Administrative Law, in late 2016, the Department and Agency changed the process for reviewing regulations submitted by the Board of Psychology. The resulting process 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 were reduced, a consequence was lengthened timelines for the Board to adopt regulations.

Control: Increased DCA Regulation Management Staffing

The Department 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 Department 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 Board of Psychology 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.

Antonette Sorrick, 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