

December 19, 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 Board of Chiropractic Examiners 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 Kristin Walker, Executive Officer, at (916) 574-7784, Kristin.Walker@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Board of Chiropractic Examiners (Board) regulates the chiropractic profession in California and oversees approximately 13,000 licensees. The Board was created on December 21, 1922, as the result of an initiative measure approved by California voters on November 7, 1922.

The Board's mission is to protect the health, welfare, and safety of the public through licensure, education, engagement, and enforcement in chiropractic care. The Board's vision is ensuring California consumers receive high-quality, patient-centered and collaborative care, and its values include collaboration, excellence, professionalism, public protection, and responsiveness. The Board adopted its 2022–2026 Strategic Plan in October 2022 with the following goals and objectives:

Goal Area 1: Licensure and Professional Qualification – Ensure the continuous competency of all doctors of chiropractic by promoting licensure standards, professional conduct, and requirements for continuing education.

- Objective 1.1: Complete comprehensive updates to the Board's continuing education program and regulations to provide clarity and accessibility, and to ensure continuing licensee competency and public protection.
- Objective 1.2: Establish a robust, effective Licensure Committee to identify issues and increase efficiency.
- Objective 1.3: Review reciprocity requirements to minimize barriers to licensure in California.
- Objective 1.4: Continue to monitor the Board's license fee structure to ensure the Board's financial stability, maintain access to the Board's services, and determine whether the Board needs to consider plans for restructuring its fees.

Goal Area 2: Enforcement – Ensure public protection and safety by establishing standards of practice for doctors of chiropractic, preventing violations of the Act, Board regulations, and professional standards, and taking effective action when violations occur.

- Objective 2.1: Implement updated disciplinary guidelines, Uniform Standards for Substance Abusing Licensees, and Consumer Protection Enforcement Initiative (CPEI) regulations, to provide consistency and clarity in disciplinary penalties, help educate licensees and the public, and deter violations.
- Objective 2.2: Streamline internal enforcement processes and standards, including complaint intake, investigations, and case management activities, to increase efficiency and ensure timely action.
- Objective 2.3: Improve the effectiveness of the Enforcement Program by implementing Expert Witness program enhancements, including recruitment, training, and ongoing assessment of subject matter experts in specific areas of chiropractic practice.
- Objective 2.4: Develop and implement clearly defined standards for licensee recordkeeping by updating regulations to provide consistency and clarity to licensees, the public, and other stakeholders.

Goal Area 3: Public Relations and Outreach – Consistently engage, communicate, and collaborate with consumers, licensees, governmental entities, and stakeholders about the current and evolving practice of chiropractic and the regulation of the profession.

- Objective 3.1: Continue to foster relationships with legislators, healing arts boards, professional organizations, and government agencies to allow stakeholders to share ideas and perspectives.
- Objective 3.2: Continue to increase the Board's presence and availability through outreach opportunities where the Board can collaborate and engage with stakeholders to allow for sharing of feedback, input, and suggestions.
- Objective 3.3: Create an outreach plan to improve communication with stakeholders, share helpful information, and clarify the Board's role and duties.
- Objective 3.4: Build an interactive social media presence to engage with stakeholders and assess stakeholder sentiment of the Board.
- Objective 3.5: Improve the Board's website by providing informative content for applicants, licensees, the public, and other stakeholders and enhancing the functionality and user experience.

Goal Area 4: Laws and Regulations – Ensure that statutes and regulations strengthen and support the Board's mandate and mission of public protection and enable the Board to effectively regulate the chiropractic profession.

- Objective 4.1: Increase efficiency in rulemaking processes to move pending regulatory packages forward, prevent a backlog of packages, and improve staff and Board effectiveness.
- Objective 4.2: Perform a comprehensive review of existing regulations to identify and address any unnecessary or obsolete regulations and to clarify current regulations as needed.

Goal Area 5: Organizational Development – Maintain an effective organization through the professional development of staff, efficient utilization of resources, and exemplary public service.

- Objective 5.1: Update processes and procedures, key staff roles, and staff organizational structure to establish clear responsibilities and increase efficiency.
- Objective 5.2: Maintain a high-performance and engaged culture focused on effective training, individual development, and continuous improvement, to recruit and retain quality staff.
- Objective 5.3: Improve communication amongst staff and board members to facilitate effective collaboration.
- Objective 5.4: Re-design the board member onboarding procedures and orientation process to create effective board members.

Control Environment

The Board has established a culture of integrity that is consistent with its mission to protect the health, welfare, and safety of the public. Oversight is provided by a seven-member board appointed by the Governor that consists of five doctors of chiropractic and two public members who set policy and strategic goals for the organization. Board members also serve on Licensing, Continuing Education, Enforcement, and Government and Public Affairs Committees where they directly oversee the operations and performance of those program areas.

The Board's organizational structure includes an executive officer, an assistant executive officer, two managers, and civil service staff who perform the Board's administrative, licensing, continuing education, and enforcement functions. Through an organizational chart, descriptions of staff functions, and detailed duty statements, the Board ensures that appropriate levels of responsibility, authority, control, and oversight are allocated to each staff function.

Internal control systems for the Board's key business functions are documented through procedure manuals, job aids, desk guides, and comprehensive process mapping. Board management is responsible for maintaining a competent workforce by continuously monitoring staff workload, productivity, and key performance indicators; evaluating staff performance and enforcing accountability; creating plans for staff's professional and personal development; and addressing issues through guidance, training, performance management, and the progressive discipline process.

Information and Communication

The Board collects and communicates relevant and reliable information by communicating with Department of Consumer Affairs (DCA) representatives and subject matter experts. The data and statistics used for key performance indicators are collected directly from the Board's licensing and enforcement database.

The Board uses various forms of communication to gather and disseminate this information to staff. These forms of communication include, but are not limited to, in-person, electronic,

written, and telephone communication. Management communicates quality information throughout all levels of the organization using established reporting lines.

The Board has an established process for staff to report inefficiencies and inappropriate actions to management and other decision makers through one-on-one meetings with management, regular staff meetings, and open-door policies. The Board adheres to and makes staff aware of all state laws and policies regarding harassment prevention, whistleblowing, and health and safety concerns.

The Board collects and disseminates relevant and reliable information by communicating externally with consumers, subject matter experts, chiropractic colleges, trusted state and national professional associations and organizations, and other stakeholders.

The Board uses various forms of communication to gather and share this information with external stakeholders such as subscription mailing lists, newsletters, mass mailings, the Board's website, social media, telephone, email, outreach events, conferences, and educational publications for consumers and licensees. All external communications are consistent with DCA guidelines.

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 Chiropractic Examiners monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Tammi Pitto, Assistant Executive Officer.

The Board established a baseline to monitor its business functions through position duty statements, procedure manuals, and process mapping. To ensure the effectiveness of internal control systems and respond to vulnerabilities as they are identified, management continuously monitors employee work product, communicates deficiencies to staff, conducts detailed reviews and one-on-one meetings with staff, provides feedback and training, and uses statistical reports and stakeholder feedback to monitor compliance with established performance expectations.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Board of Chiropractic Examiners risk assessment process: executive management, and staff.

The following methods were used to identify risks: brainstorming meetings, employee engagement surveys, ongoing monitoring activities, other/prior risk assessments, and performance metrics.

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

RISKS AND CONTROLS

Risk: Insufficient Revenue to Fund Board Operations

The Board's annual budget is funded exclusively by the chiropractic profession through licensing and other regulatory fees. Despite recent legislation to amend the Board's fee structure, the Board's increasing operating expenses (i.e., staff salaries and benefits, enforcement costs, and statewide and departmental pro rata) continue to outpace the annual revenue received by licensing and regulatory fees and are preventing the Board from replenishing its fund and establishing a healthy reserve of 6-12 months of expenses. Without an increase in revenue, the Board remains at risk of insolvency in fiscal year 2025-26.

Control: Continue Collaborating with the DCA Budget Office to Monitor Expenditures

Under the guidance of the Board's Government and Public Affairs Committee, the Board's staff works closely with DCA's Budget Office to carefully monitor the Board's revenue and expenditures and plan for ongoing and future expenses such as: staff compensation and benefits; investigation and disciplinary costs through DCA's Division of Investigation, the Attorney General's Office, and the Office of Administrative Hearings; equipment upgrades and replacement; and repayment of the outstanding loan balance of approximately \$1.5 million to the Bureau of Automotive Repair.

Control: Conduct a Fee Study

The Board will conduct a fee study in 2024 to measure the actual costs associated with each of the Board's functions and services and determine the appropriate fee-based funding levels needed to restore stability in the Board's fund, rebuild the Board's reserves, and repay the outstanding balance of the loan from the Bureau of Automotive Repair.

Control: Pursue a Regulatory Fee Increase, If Necessary

Based on the results of the 2024 fee study, the Board may need to increase its primary source of revenue, the annual doctor of chiropractic license renewal fee, through the regulatory process to ensure sufficient funding for its administrative, licensing, continuing education, and enforcement operations.

Risk: Recruiting New Staff to Fill Vacancies

The Board is a small organization with 19 staff positions. This limited size inherently leads to key person dependency for the Board's essential business functions, heavy workloads with many duties and responsibilities, and a lack of internal promotional opportunities when the Board is fully staffed. As a result, the Board has recently experienced challenges in recruiting qualified applicants to fill vacancies for clerical, analytical, and management roles, particularly for those involving complex administrative projects and policy work.

Control: Create Learning and Development Plans for Each Staff Position

The Board will create individualized learning and development plans for each staff position and share those plans with applicants during the recruitment and hiring process to make them aware of the potential career path and future internal and external promotional opportunities based on the knowledge and skills gained through the position. This is expected to increase interest in the Board's vacant positions and supports the Board's strategic plan objective of maintaining a high-performance culture focused on individual development and continuous improvement.

CONCLUSION

The Board of Chiropractic Examiners 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.

Kristin Walker, 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