

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 Physical Therapy Board of California 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 Liz Constancio, Administrative Services Manager, at (916) 561-8274, Liz.Constancio@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

MISSION

To advance and protect the interests of the people of California by the effective administration of the Physical Therapy Practice Act.

VISION

The standard for consumer protection in physical therapy.

VALUES

Commitment
Consumer Protection
Innovation
Integrity
Leadership; and,
Service

Strategic Plan Goals

Goal 1: Enforcement

Protect consumers through effective enforcement of laws and regulations governing the practice of physical therapy.

Goal 2: Licensing

Provide effective and efficient application and licensing services while maintaining consumer protection.

Goal 3: Communication and Education

Provide relevant, timely, and accurate information to consumers, licensees, and other stakeholders.

Goal 4: Organizational Effectiveness

Facilitate an exemplary organization through governance, effective leadership, performance and service.

Control Environment

The Executive Officer (EO), Jason Kaiser, is responsible for the oversight and administrative operations of the Board and serves at the pleasure of seven Board members. The Board Members are appointed by the Governor, Senate Rules Committee, and Speaker of the Assembly. The Management team is responsible for recruiting and maintaining a competent workforce and evaluating employee performance to enforce accountability through adhering to personnel laws, policies, and procedures.

Information and Communication

The PTBC has several means to share information regarding operational, programmatic. And financial decision making. Management works closely with the EO and meets regularly to discuss areas of concern associated with internal/external risk to the Board, staff performance, staff accountability, and fiscal matters. The EO also provides regular updates to the Board President regarding the budget, staff updates, industry, and administrative concerns, and upcoming events relevant to the profession. In addition, the Board meets four times a year in a public setting to handle matters related to licensure, disciplinary actions, legislation, regulation, budget, and a variety of other topics related to the status of daily operations.

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 Physical Therapy Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Sarah Conley, Assistant Executive Officer; Liz Constancio, Program Manager; Jason Kaiser, Executive Officer.

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The Board's Administrative Manager reports risks and risk management strategies to the EO. The following activities are performed to ensure internal controls are effective:

- EO meets regularly with management team to discuss daily operations and conducts annual one-on-one meetings with all staff.
- Management team holds routine staff meetings and one-on-one meetings with staff

- regarding performance and expectations.
- Management team conducts continuous monitoring of processes in place and reconciles.

RISK ASSESSMENT PROCESS

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

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, and performance metrics.

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

RISKS AND CONTROLS

Risk: Inadequate Staffing Levels

The PTBC has 27.1 authorized positions and employs four additional temporary positions, totaling 31 staff members that are designated throughout five units: Administrative, Application, Licensing, Continuing Competency, and Enforcement. All program staff are responsible for effectively performing their assigned essential functions efficiently in support of meeting the Board's strategic mission goals and objectives. However, the Application and Licensing units lack the adequate staffing levels to meet the licensing requirements efficiently.

Inadequate staffing levels prevent the PTBC from adhering to its mandates, which require the PTBC to process licenses timely, and meeting its licensing performance measures.

This limits various business processes within the Application and Licensing units and creates a barrier to timely, effective, and efficient actions pertaining to licensure.

Control: Increase and/or Redirect Staffing Resources

The Assistant Executive Officer (AEO)/EO will continue to meet with management staff on a regular basis or as needed to discuss further areas of concerns. The PTBC plans to correct this deficiency by requesting a budget augmentation to address the staffing shortfalls. The PTBC has increased its staffing levels by utilizing its existing resources (blanket funds) until a permanent solution is obtained.

The PTBC was approved for a budget augmentation for two permanent fulltime positions through the 2023-24 Governors' Proposed Budget. The PTBC will work with DCA on its recruitment efforts and once the position(s) is filled the Board anticipates eliminating its staffing deficiency within its application and licensing services.

Risk: Procurement Delays

The PTBC requires various equipment and office supplies to conduct daily business processes and actions. As a result of the COVID-19 pandemic, the PTBC has experienced significant delays with procuring required equipment and office supplies. Specifically, an adequate phone system and applicable telework equipment and/or software.

Inadequate equipment and limited office supplies creates delays with various business processes within the Board and prevents the Board from meeting its mission, goals, and objectives efficiently.

Control: Elevating Issues to DCA

The PTBC will communicate with DCA on a regular basis to resolve its procurement issues. In efforts to alleviate the procurement risks, the PTBC has begun transitioning staff from the current telephone system to using the Microsoft Teams application on their laptops. In addition, staff are required to share equipment and office supplies until appropriate equipment and supplies can be procured.

Utilizing laptops allows staff to respond to callers while away from the desk or the office in a timely manner. In addition, sharing equipment and office supplies enables staff to proceed with their daily business processes and actions, while alleviating increased delays and backlogs.

The PTBC has obtained appropriate equipment and fully transitioned staff to its new telephone system utilizing the Microsoft Teams application. While the PTBC will need to continue to work with DCA on minor connection issues and headset defects, all telephones and numbers have been assigned and are operable.

CONCLUSION

The Physical Therapy Board of California 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.

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Jason Kaiser, 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