

December 30, 2019

Lourdes M. Castro Ramirez, Secretary
California Business, Consumer Services and Housing Agency
915 Capitol Mall, Suite 350-A
Sacramento, CA 95814

Dear Ms. Lourdes M. Castro Ramirez,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Dental Hygiene Board of California 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 Anthony Lum, Executive Officer, at (916) 576-5004, Anthony.lum@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Dental Hygiene Board of California (DHBC or Board) is responsible and has oversight for licensing all of the dental hygienists and the dental hygiene educational programs within the state. The Board also administers the law and ethics examinations, enforces the laws and regulations governing the practice of dental hygiene, and ensures that the dental hygiene educational programs adhere to the laws and accreditation standards in place for them to operate appropriately. The Board also participates in outreach events and supports the community and its stakeholders with the goal of ensuring the highest quality of oral healthcare for all Californians.

Strategic Plan Goal Areas:

- 1) Licensing and Law and Ethics Examination - the Board establishes and maintains licensing standards and the Law and Ethics examinations to protect consumers while allowing reasonable access to the profession.
- 2) Enforcement - the Board protects the health and safety of consumers through the enforcement of laws and regulations governing the practice of dental hygiene.
- 3) Legislation and Regulation - the Board advocates for statutes and adopts regulations, policies, and procedures that strengthen and support its mandates, mission, and vision.
- 4) Educational Oversight - the Board regulates and enforces dental hygiene educational program standards to increase consistency and quality.
- 5) Organizational Development - the Board continues to build and maintain an excellent organization with effective Board governance, strong leadership, and responsible management.

Control Environment

Dental Hygiene Board management establishes and demonstrates integrity and ethical values by discussing and communicating the policies and procedures with staff that are in place for program operations, leads by example by working within ethical parameters, and regularly updates staff on issues and corrective solutions to maintain operations in an ethical manner. We emphasize having and maintaining a good work ethic, to strive to complete projects to one's best ability, and to inquire about situations that arise that you may not be aware or unsure of prior to providing a response to situations. We always encourage staff group discussions for variations of opinion, refer to the law when in doubt, and always insist on obtaining clarification from senior staff or management to ensure integrity, consistency, and remain in ethical boundaries.

The overall responsibility of the Board relies on the Board actions and the law. The day-to-day operation responsibilities are maintained and controlled by the Executive Officer (EO) who is appointed by the Board as their executive administration representative, and the Assistant Executive Officer (AEO) who maintains programmatic functions and represents the Board in the EO's absence. The Board, in general, falls under the purview of the Department of Consumer Affairs (DCA).

The EO and management is responsible to ensure that the day-to-day operations run smoothly and consistently for the applicants, licensees, the public, and interested stakeholders who rely on the Board's ability to govern the dental hygiene profession. This consists of having quality managers and program staff to implement programs of Licensing, Enforcement, Educational Program Reviews, Continuing Education, Citation and Fine, and Probation. Staff are delegated their respective program responsibilities from the EO and AEO and coordinate their efforts to ensure program functions are operating efficiently and effectively. The EO and management's goals are to have qualified and competent staff to carry out the Board's programmatic functions. To ensure the quality and productivity of its staff, the EO and management provide inservice training, allow staff to complete external trainings, and have open communication on any issues that may arise. Staff are held accountable by management to ensure quality and integrity in the jobs they are completing. Periodic check of work projects, review of documentation/reports, and performance evaluations are all used to evaluate performance and hold staff accountable for their work.

Information and Communication

The EO and management have an open communication policy. Internally, staff are able to communicate any issue or problem between each other or with management in an open manner without the fear of belittlement, judgement, or bias. Opinions are shared freely, as many ideas may arise from discussion from multiple people and a team approach rather than from a monarchy.

The EO and management only ask staff that if they have ideas or opinions to improve program efficiencies or effectiveness to do their research and provide a presentation that demonstrates the pros, cons, and recommendation for the proposal. With program knowledge, there is no better source to ask for opinions and suggestions for efficiency than from the staff who are performing the duties on a daily basis. The EO and management are always open for suggestions to improve the program efficiencies and encourage staff to be assertive and communicative in their efforts to persuade change if it is needed.

For outside parties, communication techniques depend upon who the communication is with and the reason for the communication. Staff are expected to provide excellent customer service to applicants, licensees, and the general public, but also understand they are not expected to take abuse, as issues

can be resolved in a cordial manner. This includes phone calls, emails and letters and management encourages staff to communicate problematic issues so that resolutions can be made.

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 Dental Hygiene Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to: Anthony Lum, Executive Officer; and Elizabeth Elias, Assistant Executive Officer.

The EO and management does monitor staff's productivity to ensure quality, consistency, and efficiencies are maintained. Reports are requested through the computer system to collect data on staff productivity for all programs. Documentation is reviewed on an occasional basis to ensure quality, consistency, and relevancy to the issue being addressed. Many reports and documents are submitted to management for review and approval prior to sending to a recipient to ensure the message is accurate and consistent with the law.

If there are any issues of under productivity, poor quality of work, or underperforming expectations from staff, management addresses the issues through administrative actions in accordance with union contract and human resources guidelines.

RISK ASSESSMENT PROCESS

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

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, consideration of potential fraud, performance metrics, and other.

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

Although this risk assessment was completed by the EO, all of the discussions, opinions, and suggestions from management and program staff to determine the responses to the questions presented were taken into account. Although the responses may or may not fully answer all of the sections as identified, they are the responses that pertain to this program to maintain its program efficiencies and effectiveness.

RISKS AND CONTROLS

Risk: FI\$CAL implementation

FI\$CAL's implementation has been a major disruption in obtaining accurate financial information for board operations without contacting the DCA Budget Office. Currently, we do not receive monthly expenditure and revenue reports, and await the closure of the last fiscal year's accounting books to know exactly where our program stands financially. DCA Budgets provides occasional reports as requested, but they are not as accurate as they could be since it relies upon the reporting within the FI\$CAL system to obtain accurate reports. Also, our Governor's Budget section for our annual

expenditures needs revision, as each line item of expenditures should be more in line with our actual authorized expenditures. They are currently out of alignment on many individual expenses and need realignment for accuracy. Financial communication and action should improve between the Board and DCA, as the Board and EO are fiscally responsible for the Dental Hygiene Board's programmatic costs and they rely on the DCA Budget Office for financial information.

Monthly financial reporting is commonplace with any business. Knowing how a program stands financially affects any future actions that may occur. This includes hiring additional staff, enforcement costs, purchasing new equipment or additional office space, travel, contracts, procurement, and any other miscellaneous expenditures. It can also delay the implementation of new mandated program functions due to cost or other financial risk that is unknown without accurate financial reports to inform management and the Board of their financial status. This may also cause an increase in fiscal impacts to the applicants, licensees, and the public if fees are raised prematurely due to inaccurate fiscal projections or under estimates of possible revenue received. Financial stability is paramount for the Board to continue its operations without the threat of insolvency. Accurate financial reporting is required to inform those who are responsible for the program to know their fiscal resources.

Control: The Dental Hygiene Board will work with DCA to implement FI\$CAL improvements.

The Board will work with the DCA to implement FI\$CAL improvements. As FI\$CAL is fully implemented, increased communication and provided reports should work to obtain an understanding of the new financial monitoring system. This will allow the Board to monitor expenditures and the anticipated revenue received to project any future expenditures and avoid insolvency.

Risk: Establishment of a Board Quorum

In 2020, four (4) of the Board's nine (9) Board members will either be reappointed, termed out, or not reappointed leaving possibly four (4) vacant member positions. We would then be at five (5) remaining members which would make it difficult to establish a quorum, have a fair ratio of appointed officers to non-officer members, and difficulty in distributing a fair ratio of licensed members to public members to serve as subcommittee members on four (4) subcommittees. In addition, the institutional knowledge of the termed out or not reappointed members would be substantial and could have a negative affect on programmatic policy and procedural issues.

The responsibility for appointing Board members lies within the Governor's Office and both the State Senate and Assembly. If these officials delay in appointing new members to the Board, it risks being unable to establish a quorum to conduct Board business.

Control: The Dental Hygiene Board will work with appointing authorities to revise member appointment schedule.

There should be a change in the board member appointment schedule in law. To work effectively, a statutory change must be implemented so that no more than two (2) board members are removed from service at any one time. This would reduce the percentage of members removed to 22% rather than 44% with four members removed or 55% when five members are removed at one

time (which is the current structure of the member appointment schedule) if the one-year grace period is not used. A revised appointment schedule would decrease the occurrence of the Board being unable to establish a quorum for its board and subcommittee meetings.

Risk: Executive Officer & Staff Salary Compaction Issue

The Board's Executive Officer (EO) has done an excellent job in overseeing Board operations pursuant to the annual evaluations submitted by the Board to DCA over the past two years. However, the EO has not received any salary adjustments or compensation recommended by the entire Board except for the general salary increases provided to all state employees. The two EO evaluations with Board salary increase recommendations was denied in 2018 and currently pending for 2019. This may cause the Board difficulties in staff retention, as the current EO pay is not at a comparable level of other boards to retain quality staff or commensurate of the position's responsibilities. The Board is an autonomous governing body pursuant to Business and Professions Code section 107 and may appoint a person exempt from civil service and may fix his or her salary with the approval of the Department of Human Resources. By not approving the Board's salary adjustment recommendations, a salary compaction issue between the EO and the front line manager (AEO) has been created. The AEO's salary continues to increase through Merit Salary Adjustments until she attains the maximum salary in the classification range of a Staff Services Manager 1 while the EO's salary is stagnant.

The EO position is a much more demanding position than the average state job. The Board has over 33,000 licensees, 1,200 applicants annually, 27 dental hygiene educational programs including staff and students, multiple interested stakeholders, the Legislature (& Governor), Business and Consumer Services and Housing Agency, the Department of Consumer Affairs (DCA), 12 staff, and the public that interact with the EO and Board daily. The loss of a knowledgeable EO could result in extended delays in programmatic functions and the Board not meeting its mandate and mission of consumer protection.

Control: Executive Officer Salary Compaction Issue

The Board will work with the DCA and Agency to determine the delay in the increase of the EO salary and what other actions or options could be implemented. DCA has completed an EO Salary Study in 2019 to identify issues regarding the executive officer salaries. The results were released in the Summer of 2019, but any action is still pending.

CONCLUSION

The Dental Hygiene 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.

Anthony Lum, 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