

December 29, 2021

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

Dear Secretary Lourdes M. Castro Ramirez,

In accordance with the State Leadership Accountability Act (Leadership Accountability), the Dental Board of California submits this report on the review of our internal control and monitoring systems for the biennial period ending December 31, 2021.

Should you have any questions please contact Sarah Wallace, Interim Executive Officer, at (916) 263-2187, Sarah.Wallace@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The Dental Board of California licenses and regulates dentists, registered dental assistants, and registered dental assistants in extended functions. The Board assures the initial and continued competence of its licensees through licensure, investigation of complaints against its licensees, discipline of those found in violation of the Dental Practice Act (Business and Professions Code Sections 1600 et seq.), monitoring licensees whose licenses have been placed on probation, and managing the Diversion Program for licensees whose practice may be impaired due to abuse of dangerous drugs or alcohol.

The Board's objective is to protect and promote the health and safety of consumers in the State of California. To accomplish this objective, the Board must ensure that only those persons possessing the necessary education, examination and experience receive licenses; all licentiates obtain the required continuing dental education training; consumers are informed of their rights and how complaints may be directed to the Board; consumer complaints against licentiates are promptly, thoroughly and fairly investigated; and appropriate action is taken against licentiates whose care or behavior is outside of acceptable standards.

Control Environment

The control environment reflects the values of an organization, the atmosphere in which people conduct their activities and carry out their control responsibilities. The Board recognizes the importance of maintaining an adequate and effective control environment over its operations. The Board has taken numerous steps to enhance its control environment which includes the following major Board functions:

- **Licensing and Examinations:** Provide a licensing process that permits applicants timely access to the workforce without compromising consumer protection. Administer fair, valid, timely, comprehensive, and relevant licensing examinations.

- Consumer Protection and Enforcement: Ensure the Board's enforcement and diversion programs provide timely and equitable consumer protection.
- Education: Set standards to ensure high quality educational services and programs, registered dental assisting programs and continuing education for licensees.
- Legislation and Regulation: Advocate for legislation and promulgate regulations that advance the vision and mission of the Board.
- Communication and Customer Service: Provide the most current information and quality customer service to the Board's stakeholders.
- Organizational Effectiveness: Build an excellent organization, with engaged employees, through effective leadership and responsible management.
- Dental Workforce: Maintain awareness of the changes and challenges within the Dental community and serve as a resource to the Dental Workforce.

Together, all these functions protect the health and safety of Californians.

Documentation of internal control systems is developed and maintained at both the organizational and unit level and communicated to employees through policy and procedure manuals and the Department of Consumer Affairs' (Department or DCA) Intranet. Dental Board Executive Management has established core values documented in the Staff Expectations and Workplace Guidelines (July 2021) that advise management in the promotion of a safe and supportive working environment to provide consistency throughout the various program units and to meet the challenges of state government. Management communicates and emphasizes the importance of meeting legal and regulatory requirements and respectful, timely communication with colleagues, state leadership, other department representatives, and stakeholders.

The Board seeks to actively recruit diverse and high performing individuals that display integrity, competence, and commitment to consumer protection when filling vacancies. Management establishes competency expectations for Board employees through duty statements and expectation memos. The Board has developed strong screening criteria and interview questions that would allow management to evaluate these qualities and hire the most qualified individual for each position. When training can assist in employee development, it is offered. Cross-training is emphasized and encouraged for staff development to allow for sudden departures of key positions.

Employee performance is a high priority for management and is monitored closely. Managers are trained and encouraged to demonstrate integrity and establish control by supporting staff in their daily work. Management provides clear direction and objectives, assists with staff development, and fosters professional growth. When employee performance is not meeting expectations, the necessary disciplinary actions are applied. Disciplinary actions are designed to instruct and guide employees on the proper course of action while protecting the employee's rights.

The Board is committed to fulfilling its mission and vision and is focused on statutory and regulatory mandates for consumer protection. By continually re-evaluating its business operations and systems, the Board has improved its infrastructure and is always exploring new ways of doing business and delivering quality services to consumers, applicants, licensees, and other stakeholders. As part of the Board's commitment to maintain an adequate and effective control environment, the Board, through its Strategic Plan, has a set of Core Values that drive the conduct of the Board and functions as a guide to the development and implementation of all policies and actions. The Board operates from the following

Core Values that guide in meeting its mission:

Consumer Protection – We make effective and informed decisions in the best interest and for the safety of Californians.

Accountability – We are accountable to the people of California and each other as stakeholders. We operate transparently and encourage public participation in our decision-making whenever possible.

Professionalism – We strive to maintain qualified, proficient, and skilled staff to provide services to the state of California.

Efficiency – We diligently identify the best ways to deliver high-quality services with the most efficient use of our resources.

Fairness – We apply all rules and make all decisions in a consistent and unbiased manner.

Diversity – We draw strength from our organizational diversity as well as California's ever-changing cultural and economic diversity.

Information and Communication

The Board collects and communicates relevant and reliable information needed for operational, programmatic, and financial decision making through one-on-one staff/manager meetings and individual/team meetings. This data is communicated to Board members and data is also communicated within each unit so that staff are aware of workload priorities.

The Board continually identifies communication weaknesses and implements necessary changes to increase customer satisfaction, eliminate the need for repeat calls, and re-establish trust between Board and customers. The Board researches and evaluates various communication methods (print, website, and social media) and makes determinations on which method(s) effectively communicates with licensees and consumers. The Board recently distributed an environmental scan survey to all staff, management, and stakeholders. This information was utilized for a strategic planning session and will be used to improve all communication, decision making, and potential objectives in the next 4-5 years.

The management team works closely with the executive officer (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. Board staff maintains good working relationships with DCA's Executive Team, Budgets, Legislation, Legal, Human Resources, etc. They also work closely with other state and federal governmental agencies, Attorney General's office, and district attorneys. Employees are encouraged and regularly report inefficiencies and inappropriate actions to management.

The Board meets quarterly, and staff prepares a comprehensive report on board operations and budget information for their review and discussion. These meetings are open to the public and provide an opportunity for stakeholders to ask questions and present information or concerns to the Board. The information that is provided to the Board is also made available on the Board's website and any time new information is added, a note is dispersed to the Board's email lists informing individuals that information has been posted.

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 Board of California monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Sarah Wallace, Interim Executive Officer.

The Board reviews and evaluates the effectiveness of internal controls through management meetings, email notifications, risk assessment documentation, program review checklists, enforcement and licensing statistical reports, compliance summaries, BreEZe system testing, budget reports, authorization and sign-off forms, and strategic planning documents. These activities are discussed at management meetings and elevated for discussion to executive staff. The reports provide the necessary checks on internal controls by identifying the monitoring practices being conducted, improvements needed, and the overall success or weakness within the program. As vulnerabilities are identified, the EO immediately addresses them by working directly with key staff to develop and implement solutions.

RISK ASSESSMENT PROCESS

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

The following methods were used to identify risks: brainstorming meetings, 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, potential impact of remediation efforts, and tolerance level for the type of risk.

RISKS AND CONTROLS

Risk: Confidential Documents

The Board collects and maintains data that includes public, confidential, and sensitive personal information from applicants, dentists, registered dental assistants, and registered dental assistants in extended functions. Staff need to ensure that file rooms are closed, confidential documents/files need to be locked up, and information at printers and/or fax machines need to be collected and secured at the end of each workday.

Control: Confidential Documents Action Plan

Manage data security and privacy by maintaining and updating appropriate security technologies, as well as maintaining and updating information security policies, standards, guidelines, and procedures while in the office and teleworking.

Risk: Key Person Dependence

The loss of key personnel due to retirements, promotions, and reassignments is challenging. It takes

time to train new employees after losing key people with institutional knowledge, which can hinder business operations and processes. The potential loss of seasoned staff could cause a disruption to Board services, a delay in the delivery of services, or an impact in the quality of services delivered.

Control: Key Person Dependence Action Plan

Maintain and update documented policies and procedures to provide quality services.

Risk: High Leave Balances

An excessive amount of accrued leave balances could contribute to the decline in the Board's fund balance. Any significant payout for staff upon retirement will have negative impacts on future funding levels.

Control: High Leave Balances Action Plan

Monitor vacation/annual leave balances for excess time on a regular basis. Create a leave reduction plan and coordinate with management and staff to avoid unforeseen gaps in coverage.

Risk: Workforce and Succession Planning

If the Board is unable to efficiently recruit, hire, develop, and retain well-qualified staff, this may lead to a less effective workforce, low morale, and a decrease in qualified applicant pools, which may result in poor performance and inability to achieve objectives.

Control: Workforce and Succession Action Plan

Develop and identify staffing needs. Finalize and implement a workforce development plan for recruiting, developing, and retaining an experienced, technical, and commendable workforce.

Risk: Staff Training

The Board's effectiveness may be at risk if the staff are not adequately trained, not just in their own functions, but on the overall work of the Board. The operations of the Board may be disrupted if processes and procedures are not effectively communicated to staff.

Control: A Staff Training Action Plan

Management sets time aside to review desk manuals with staff. Training is provided during onboarding and throughout the entire probation period. Based on an assessment by the managers, additional internal and external training will be arranged. Individual units will work together to ensure a common understanding of the workload and identify and train team members to backup one another.

Control: B Policies and Procedures Action Plan

Update policies and procedures (desk manuals) to reflect current job duties.

Work closely with the Department's SOLID Training unit to determine what classes are offered and become more proactive with informing staff. Schedule and encourage staff participation in trainings for existing and newly hired staff.

Risk: Declining Fund Balance

The Board's fund is structurally imbalanced, and a fee increase may be necessary if the balance drops below mandatory operating levels.

The Board would be unable to maintain status quo of existing programs and services and operations would suffer if there were an ongoing structural imbalance in projected years. It would become necessary to reduce expenditures, including the reduction of staffing and operating resources and equipment. This would result in delayed response times to licensing inquiries and application approvals; such delays would create a barrier to licensure for those applicants graduating dental school and seeking licensure and employment in a timely manner. Additionally, this would lead to delays in processing consumer complaints, conducting investigations, and referring egregious cases to the Attorney General's Office for prosecution. These impacts would ultimately prevent the Board from being able to protect the public efficiently and effectively.

Control: Maintain Appropriate Fund Balance Action Plan

The Board has been and continues to work with the Department and the Legislature to provide the Board with the authority necessary to increase fees via the regulatory process to correct the structural imbalance, if needed.

Risk: BreEZe Implementation Issues

BreEZe scheduled releases can only accommodate a limited number of BreEZe Maintenance and Operations (BMO) per release, which can cause Board's to implement changes in stages. The Board must rely on the vendor or DCA's OIS to resolve BreEZe issues and can only create service requests, which remain in queue until they can be addressed. The Board must prioritize service issues by critical need and cannot run business functions effectively until implementation issues have been addresses.

Control: A BreEZe Implementation Issues Action Plan

The Board prioritizes requests by critical need to ensure the most important changes are completed as quickly as possible. The Board will test all system changes to attempt to minimize the possibility of potential failure and ensure that it is possible to revert changes if necessary.

Control: B Elevating Issues to DCA Action Plan

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.

Risk: Regulations

DCA issues licenses, certificates, registrations, and permits in over 250 business and professional categories through 37 regulatory entities comprised of boards, bureaus, committees, a program, and a

commission. These 37 entities set and enforce minimum qualifications for the professions and vocations they regulate, which requires them to promulgate regulations.

Prompted by an increase in the number of regulations disapproved by the Office of Administrative Law, in late 2016, the Department and the Business, Consumer Services and Housing Agency (Agency) changed the process for reviewing regulations. The resulting 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 plummeted, this consequence has lengthened timelines to adopt regulations. While the process is not taking as long as the previous reporting period, it continues to take time to complete the regulation process. There is a need for dedicated Board staff to ensure that the Board can complete the drafting of regulations in a timely manner.

Control: A Regulations Action Plan

The DCA Regulations Unit meets with programs within the Department to provide individualized attention to program-specific concerns and to work closely with each program's prioritization of packages. The Department is conducting regulatory training presentations to improve timelines. DCA also created a dedicated internal webpage containing training materials, instructions, and updated templates, which are expected to provide efficiencies in the review process. In addition, the Department has developed a tracking log to better track the review of regulations to ensure monitoring of the timelines.

The Board has requested to reclassify and redirect an Associate Governmental Program Analyst to a Staff Services Manager I Specialist (SSM I) to serve as the legislative and regulatory expert. The SSM I Specialist will be responsible for development, research, consultation, and evaluation of the units within the Board to determine needs for proposed and revised legislation and regulatory packages.

CONCLUSION

The Dental 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.

Sarah Wallace, Interim 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