

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 Registered Nursing 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 Evon Lenerd, Assistant Executive Officer, at (916) 574-7600, Evon.lenerd@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the Board of Registered Nursing (BRN) is, “The California Board of Registered Nursing protects and advocates for the health and safety of the public by ensuring the highest quality of registered nurses in the State of California.” The BRN’s vision is to be “The country’s premier board of nursing, protecting patient advocacy, consumers, and high quality nursing education.”

The BRN performs a variety of activities in carrying out its mission to protect consumers. The BRN sets and enforces educational standards for nursing programs which prepare individuals to become licensed as registered nurses (RN). If a nurse violates the Nursing Practice Act, the BRN may take disciplinary action against the nurse’s license. Grounds for discipline focus on behavior that places patients at risk of harm and can occur on or off a worksite. The disciplinary action is dependent on the nature and severity of the violation and what is necessary to protect the public. The disciplinary action becomes a part of the RN’s file and is accessible to the public.

The BRN is committed to successfully achieving its mission to protect California’s health care consumer and promote quality nursing care. The BRN’s core values are consumer protection, customer services, effectiveness, integrity and trust. The BRN’s Strategic Plan 2018-2021, identified seven strategic goals which will increase our ability to carry out our mission and vision through our core values. The seven goals are:

1. Licensing – The Board promotes licensing standards to protect consumers and allow access to the profession.
2. Enforcement – The Board protects the health and safety of consumers through the enforcement of the laws and regulations governing the practice of nursing.
3. Continuing Education – The Board establishes continuing education standards to ensure excellences in practice and promote public safety.
4. Educational Oversight – The Board advances higher education standards to increase the

- quality of education and ensure consumer protection.
5. Laws and Regulations – The Board ensures that statutes, regulations, and policies and procedures strengthen and support their mandate and mission.
 6. Organizational Development – The Board builds an excellent organization through proper Board governance, effective leadership and responsible management.
 7. Communication and Public Education – The Board informs consumers, licensees and stakeholders about the practice and regulation of the profession.

The BRN continues to demonstrate progress in meeting the milestones identified throughout the strategic plan. The BRN's significant initiatives are reducing processing times, addressing the enforcement backlogs, advancing proposed regulations, enhancing community outreach, improving overall efficiencies through the "Going Green Efforts," expanding on-line initial and renewal opportunities, expediting communication with our applicants/licensees by using BreEZe for notifications, increasing our staffing, and our continuous design, development and implementation of technology tools.

Control Environment

The BRN executive management establishes and demonstrates integrity and ethical values. The BRN executive management and their management team, foster an environment which all levels of staff can thrive and develop. The BRN has an Expectation Memo that is released to all staff and to new staff upon hire. This memorandum delineates the expectations and creates a framework that all staff need to be successful. Staff can report any issues or concerns they may have and there are several options for reporting the concerns (i.e. suggestion box, anonymously, e-mail, or face-to-face meeting with any level of management). Additionally, all management has an "open door policy", so the employees can discuss issues with any management team member and not just in their chain of command.

The BRN has a nine-member Board which is composed of four members of the public and five registered nurses. The five registered nurses included two direct-patient care nurses, an advanced practice nurse, a nurse administrator, and a nurse educator. Seven of the members are appointed by the Governor and two of the public members are appointed by the Legislature. Each member serves a four-year term and can be re-appointed, although the member cannot serve more than two consecutive terms. Currently, there are six members of the Board. Dr. Morris, the Executive Officer for the BRN, reports directly to the Board.

The BRN received additional positions and resources in a Budget Change Proposal (BCP) which was effective July 1, 2019. With the additional positions and resources, the BRN just completed a re-organization and is developing and implementing levels of responsibility and authority and will ensure the appropriate documentation of internal control systems exist. The current BRN staff that are impacted by the re-organization will be notified of the change and will receive the appropriate orientation and job specific training.

With the additional positions, the recruitment of a competent workforce is paramount. As the BRN begins to recruit and hire the additional positions, management is working to ensure that all new staff and existing staff within the new organizational structure are trained, have the resources to perform their job and continuous development and coaching is available. A critical element of retaining the competent workforce is ensuring accountability for all levels of staff is present. The BRN executive management is ensuring that accountability for all levels of staff is present.

Information and Communication

The BRN has only held a minimal number of "All Staff Meeting" but beginning in 2020 the expectation is to hold them quarterly. One of the challenges to an "All Staff Meeting" is staff are located throughout California and in-home offices. A leadership team consisting of all Staff Services Manager IIs and above meet on a regular basis with the expectation that leadership team meets with their program specific teams to communicate the goals, direction, and achievements of the BRN. The BRN Executive Officer (EO) and/or Assistant Executive Officer meets with the California Department of Consumer Affairs (DCA) to communicate their challenges and successes along with learning best practices from other Boards and Bureaus.

Staff can report any issues or concerns they may have. There are several options for reporting the concerns, including but not limited to suggestion box, anonymously, e-mail, or face-to-face meeting with any level of management. Additionally, all management has an open-door policy so the employees can discuss issues with any management team member and not just in their direct chain of command but also laterally. The Staff Expert Work Groups, including subject matter experts, used in the past will continue to function as established to identify and rectify inefficiencies and maintain the focus on achieving the goals outlined in the strategic plan.

The BRN reports to and presents at five scheduled Committee Meetings and Board Meetings every other month except July and December annually. Additionally, the BRN participates in, at minimum, five meetings that are conducted by an Administrative Law Judge with the Board voting on the appropriate action for violations of the Nursing Practice Act. All of these meetings are conducted in compliance the Bagley Keene Open Meeting Act.

The BRN publishes "The BRN Report" on a quarterly basis to all internal and external stakeholders and interested parties. "The BRN Report" is a publication that provides information on new and proposed legislation; changes or enhancements with the licensing policies and procedures and processing times and/or fees; enforcement activities designed to protect consumers through discipline, intervention, and investigation; and a message from the EO describing the successes and vision for the future.

The BRN utilizes the tools within DCA, including but not limited to FI\$Cal, legislative tracking, BreEZe, and other Board's and Bureau's best practices to record pertinent operational, programmatic and financial information. The BRN will continue to explore other technological processes and systems to implement that will provide additional efficiencies and to eliminate those that are redundant.

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 Registered Nursing monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Evon Lenerd, Assistant Executive Officer.

The BRN management utilizes key performance indicators and/or benchmarks for some activities within the Enforcement and Licensing Division to assess performance. Additionally, there are processing times that are monitored with continuous reassessment of resources and workload which impact our ability to meet our target processing timelines. Many of the licensing processing timelines are posted

on our website to better serve and maintain informative communication with our stakeholders. Accountability is enforced by the EO of the BRN who reports directly to the Board. The accountability is enforced by continuous monitoring and the implementation of changes to ensure the most efficient and effective outcomes. Within the various program processes there are quality control checks that are performed by management to ensure the quality of work, assess training needs of staff, and identify areas that need improvement. Also, there are some process that have peer reviews opportunities.

The BRN management will revise the use of baseline data to assess the effectiveness of on-going operations once the BCP positions are filled and the re-organization is fully implemented. The responsibility of monitoring activities and work performance starts with the first line supervisor/ manager with the expectation that each level communicates to the next higher level. It is the responsibility of all management to identify inefficiencies and/or to have open communication with employees in order to identify and address those inefficiencies. Our data mining and analysis activities and monitoring will be reassessed and possibly revised once the re-organization is fully implemented. The BRN management will continue to evaluate and will ensure proper documentation of any and all corrective actions with the re-organization.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Board of Registered Nursing risk assessment process: executive management, and middle management.

The following methods were used to identify risks: audit/review results, other/prior risk assessments, consideration of potential fraud, performance metrics, and other.

The following criteria were used to rank risks: likelihood of occurrence, and potential impact to mission/ goals/objectives.

RISKS AND CONTROLS

Risk: Funding Increased Attorney General's Costs

The Attorney General's Office (AG) raised the costs charged to the BRN for representing the BRN in accusations and pleadings. The increased costs could result in the need to raise licensing fees.

Control: Fee Increase Mitigation

The BRN will continue to monitor the fund balance and our progress to meeting enforcement timelines. The BRN will continue to communicate with the AG's Office and address any concerns identified.

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 BRN 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 BRN requests information as needed from DCA to try to identify and fix errors.

Risk: Creating Efficiency Through Technology

The BRN strives to use technology to better serve our stakeholders and interested parties; however, the time involved and constraints with procuring technology continues to result with the BRN using outdated technology. The BRN needs tools to assist with the data storage and data mining of schools relating to nursing programs, continuing education providers and continuing education courses.

Control: Utilizing Technology for Data Storage and Mining

The BRN needs to secure a technological tool that will assist with the data storage and data mining of the nursing schools regulated by the BRN. This could be achieved by enhancing BreEZe or securing a new commercial off the shelf product that can communicate with BreEZe.

Risk: Public Information Unit

The BRN's Public Information Unit is unable to answer all the incoming telephone calls and emails in a timely manner. Also, the Public Information Unit has had issues with recruitment and retention of qualified personnel. The inability to consistently respond to telephone calls and emails in a timely manner, could result in incomplete or inaccurate information/applications being submitted to the BRN causing further delays in processing and requiring additional resources and staff. The Public Information Unit is the public's means of asking questions to and receiving information from the BRN. Improving the timeliness of the Public Information Unit is critical in providing better customer service and providing the vital information to applicants, licensees and the general public.

Control: Building a Sustainable Public Information Unit

The BRN received additional positions and resources in a BCP which authorized resources and positions beginning on July 1, 2019. The BRN is in the process of recruiting for these positions. The BRN completed its re-organization which provides for a stronger internal organizational structure supporting the Public Information Unit. The goal is to respond to communication for our customers in a timely manner thereby allowing qualified applicants and licensees to become licensed or renew their license.

Risk: Retention of Qualified Personnel

Loss of key individuals in all program areas could lead to a lack of knowledge transfer resulting in loss of information. This loss of information can result in increased training expenditures, decrease in productivity, and slower processing and response times impacting the services provided to the public. As new employees are on boarding, the tasks or projects they are assigned to may slow down impacting the experienced employees' productivity level while the new employee is gaining the necessary knowledge. When losing an experienced employee this may result in assignments taking longer, due dates not being met, critical information accidentally omitted or missed, and could result in a negative impact on moral.

Control: Succession Planning

As the re-organization is fully implemented the process of developing and/or revising desk manuals for all positions is required. It may be necessary to identify a priority ranking for the development/revision of desk manuals. While desk manuals are being developed/revise, the process of knowledge transfer and coaching other staff is critical.

Risk: Legislative Authority

The BRN does not have legislative authority to demand and obtain necessary medical records and investigative evidence. The current process is very lengthy and can result in the BRN not obtaining the necessary records. These delays in the investigative process diminish the consumer protection outlined in the BRN's Strategic Plan.

Control: Authority to Obtain Necessary Documents/Records

The BRN will continue to work with internal and external partners to reduce or minimize investigation delays resulting from constraints in obtaining need records/information. The BRN may seek legislative changes which would compel the production of requested documents/information during the course of an investigation being conducted by the BRN's non-sworn personnel.

Risk: Regulations

The Department of Consumer Affairs (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 DCA 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, a consequence was lengthened timelines to adopt regulations.

Control: Regulation Development

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 Registered Nursing 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.

Loretta Melby, Acting 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