

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 Veterinary Medicine 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 Jessica Sieferman, Executive Officer, at (916) 416-8982, Jessica.Sieferman@dca.ca.gov.

GOVERNANCE

Mission and Strategic Plan

The mission of the Veterinary Medical Board (Board) is to protect consumers and animals by regulating licensees, promoting professional standards, and diligent enforcement of the California Veterinary Medicine Practice Act.

The Board's strategic goals are as follows:

Enforcement: The goal of the Board is to safeguard consumers and the health and safety of their animals by preventing the unlicensed, illegal, incompetent, and unprofessional practice of veterinary medicine.

Licensing, Examinations, and Permitting: The goal of the Board is to make certain that only qualified individuals are issued a license to practice as veterinarians or registered veterinary technicians, and that those holding a Veterinary Assistant Controlled Substance Permit have not engaged in the unlawful consumption or sale of controlled substances.

Legislation and Regulations: The goal of the Board is to monitor and uphold the law and participate in regulatory and legislative processes.

Customer Service and Administration: The goal of the Board is to confirm that consumers, licensees, schools, and all other stakeholders receive service in a prompt, courteous, accurate, and cost-effective manner.

Outreach: The goal of the Board is to educate consumers and licensees so that they are able to make informed decisions regarding the purchase and provision of veterinary medical services.

Hospital Inspection Program: The goal of the Board is to proactively educate veterinarians regarding the minimum standards requirements as provided by the California Veterinary Practice Act.

Control Environment

The Board's vision is to establish an environment in which Californians have access to high-quality veterinary care for all animals. The Board is able to pursue its mission and vision through management's established effective control environment through its demonstrated core values – consumer protection, integrity, professionalism, responsiveness, and transparency. The Board's management team encourages open communication with staff, holds monthly one-on-ones, and fosters an open dialogue whenever anyone has a concern – ethical or otherwise. The eight-member Board provides oversight of the Executive Officer (EO), and the EO oversees the day-to-day operations of the Board. There are three managers over Enforcement and one manager over Licensing and Administration. The management team is responsible for the recruitment and maintenance of a competent workforce; and evaluates employee performance to enforce accountability through adhering to the personnel laws, policies, and procedures. Within the licensing and enforcement teams, there are team leads (Associate Governmental Program Analyst level) who provide additional oversight. The Board, management team, and leads are all available for coaching, mentoring, and training. Documentation of these is found in The Board's strategic plan, sunset reports, and organization charts.

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, individual team meetings, and regular whole team meetings. The Board also distributes customer satisfaction surveys, has regularly meetings with staff and stakeholders to gauge effectiveness and determine if there are any opportunities for improvement. This information is used on a regular basis to improve all communication and decision-making. Board staff maintains good working relationships with Department of Consumer Affairs' (DCA) Executive Team, Budget Offices, Legislative Affairs, Legal Affairs, Office of Human Resources, etc. They also work closely with other state and federal governmental agencies, the Attorney General's Office, and district attorneys. Employees are encouraged to report inefficiencies and inappropriate actions to management and other decision makers such as DCA. In addition, the management team 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. Further, the Board meets, at minimum, four (4) 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 Veterinary Medicine monitoring practices are implemented and functioning. The responsibilities as the executive monitoring sponsor(s) have been given to:
Jessica Sieferman, Executive Officer.

The EO meets with the management team Tuesday through Friday to discuss daily operations, challenges, and efficiencies that can be implemented. The management team meets with their

individual teams and holds one-on-one meetings with staff to discuss performance and expectations. The management team works together to compare results to expectations and determine if changes are needed. The EO assigns ownership for addressing vulnerabilities to the respective managers and they are responsible for monitoring the processes in place and eliminating inefficiencies.

RISK ASSESSMENT PROCESS

The following personnel were involved in the Veterinary Medicine risk assessment process: executive management, middle management, and front line management.

The following methods were used to identify risks: brainstorming meetings, ongoing monitoring activities, audit/review results, other/prior risk assessments, external stakeholders, 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: Data Integrity

The Board has concerns related to the integrity of data. The data reported in prior annual reports provided to DCA, licensing data provided during quarterly Board meetings, and data provided in Sunset Reports is inconsistent. The Board believes this is due to lack of data cleanup prior to BreEZe conversion, unintended system design errors, and the underutilization of BreEZe capabilities. Board staff has made considerable improvements, but it will still take additional time for staff to research and clean up the data.

Control: Data Cleanup

Board staff will spend the next year researching and cleaning up the data. This work will lead to more consistent and accurate data reporting and effective performance measures.

Risk: Inspection Mandate

Pursuant to Business and Professions Code (BPC) section 4809.7, the Board is mandated to inspect 20% of registered veterinary premises throughout California. Historically, the Board has never been able to inspect 20% of premises annually. This issue was originally raised in the Board's 2003 Sunset Report, when the statute simply established inspection authority and required random, unannounced inspections. The Board was concerned it was only inspecting 13% of registered premises, but the fund could not support additional inspections. In 2012, at the Board's request, Senate Bill 304 (Lieu, Chapter 515, Statutes of 2013) amended the statute for the Board to "make every effort to inspect at least 20%" of premises annually. In 2018, also at the Board's request, the 20% was turned into a mandate (Senate Bill 1480, Chapter 571, Statutes of 2018). It should be noted that fees were never increased to sustain increased inspections, which was the original (and ongoing) issue.

Prior Board meeting minutes over the years suggest a fundamental misunderstanding of the difference

between budget expenditure authority and the Board's fund. In 2018, a Budget Change Proposal (BCP) was approved expanding expenditure authority for staffing, leading to increased spending, thereby decreasing the already unstable fund.

After meeting with other board inspection programs, the Board appears to be the only DCA program with a percentage mandate. In addition, no other state veterinary board has such a mandate. As such, the Board may have an unrealistic, self-inflicted mandate that will never be met without dramatically increasing fees.

Control: Process Evaluation and Improvement

The entire inspection process should be evaluated for process improvements, including enhancing BreEZe, removing unnecessary steps, merging the inspection/enforcement units, and exploring ways to automate the inspection process through electronic tablets and a mobile inspection application that interfaces with BreEZe.

Control: Remove or Decrease Percentage Mandate

After all process improvements have been made, the Board will establish a baseline measurement of how many inspections the Board can complete in a timely manner using existing resources. This analysis will help the Board determine whether the mandate should be removed or reduced to a more realistic and attainable level. If changes are necessary, the Board will pursue legislation.

Risk: Inspector Availability

Pursuant to Business and Professions Code (BPC) section 4809.7, the Board is mandated to inspect 20% of registered veterinary premises throughout California. The Board contracts with licensees to perform these inspections. All inspectors practice full time in their clinics and inspect for the Board when available. Since the pandemic, the demand for veterinary services skyrocketed, leaving less availability for inspectors. Since 2020, the Board's contracted inspectors went from 15 to 7, most of which cited not having enough time to perform inspections for the Board.

Control: Analyst Inspector Pilot Program

Historically, the Board has utilized licensees to conduct inspections primarily because unlicensed individuals lack the medical expertise to inspect medical records. However, with the availability of a secure electronic server, records can be uploaded into the server and then provided to subject matter experts (SMEs) for inspections. All other inspection items can be done by well-trained, unlicensed individuals. Over the next year, management will launch a pilot program where existing enforcement analysts will perform local inspections and upload medical records to the server for SME review. They will work the inspection until conclusion and track the cycle time and costs associated with the inspection. If the analysts can perform the same amount or more inspections with the same quality as a licensee, the Board will pursue a BCP to hire analysts to conduct the inspections throughout California. Hiring full time analysts to conduct inspections gives the Board full control over when inspections are performed, rather than being subject to the availability of the licensed inspectors.

Risk: Enforcement Backlog

The Board currently has roughly 3,800 pending cases, with approximately 550 of these over three years old. The Board received over 1,600 complaints/convictions in fiscal year 2020/21, which was a 25% increase over the prior fiscal year. Based on the number of complaints received in the first quarter of fiscal year 2021/22, the Board is on track to receive roughly 1,700 total cases, double the number of complaints received five years ago. Over the past few years, the Board has implemented numerous process improvements, increased staffing (limited term) through a BCP and reallocated an existing staff member to enforcement. In addition, the Board is working on merging the inspection and enforcement units, increasing the number of enforcement staff by 50% without additional costs. Board management believes 15 analysts are sufficient to maintain the number of complaints received each year. However, it is not enough resources to tackle the growing backlog. With each analyst responsible for 253 pending cases, the existing workload remains unmanageable.

Control: Increase Enforcement Staff

The Board will pursue a BCP to make all limited term positions permanent. In addition, the Board will request additional limited term positions to help tackle the existing backlog. Once the cases over three years are closed, the limited term positions can be eliminated and the existing staff can maintain the complaints received in a timely manner.

CONCLUSION

The Veterinary Medicine 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.

Jessica Siefertman, 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